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21 March 1986

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AUSTRALIA

EDITORIAL REJECTS CATHOLIC COMMISSION CRITICISM OF ANZUS

Sydney THE AUSTRALIAN in English 5 Feb 86 p 6

[Editorial: "We Cannot Live by Bread Alone"]

[Text]

THERE is a very fundamental issue at stake in the row in the Catholic Church over the Catholic Commission for Justice and Peace (CCJP) social statement/discussion paper Work for a Just Peace.

The commission is accused of putting forward an anti-American, unilateral disarmament view in this paper. It is a document which says Australia should reappraise its entire military relationship with the United States, convert Anzac Day to a peace day and refuse to renew the lease on the North-West Cape facility.

The CCJP's assistant national secretary, Mr Peter Frazer, criticises the ANZUS alliance compared with NATO. There is nothing in the ANZUS treaty itself which states that America would immediately come to Australia's aid in the event of an attack.

He also says: "We have to look at the expense of modern warfare equipment (in the world) just in terms of the resources being allocated to that area ... and you've got people starving in the streets; you've got people dying."

First, ANZUS is different from NATO. The American commitment to Australia is probably the firmest we can get. If we are to behave like New Zealand, we have to consider that we pay so little towards our own defence and it is so inadequate that if we do not have powerful friends we are indeed a disaster waiting to happen in terms of being taken over by an outside power.

Now, on poverty and military spending. Most fair-minded Australians do not think it is sufficient that South Africa's blacks are well fed and healthy. The body may be well cared for in food and medical services, but the mind is full of frustration and sorrow. Why? Because the blacks do not have a vote and a say in choosing their country's leaders and in determining their country's policies.

In a nutshell, they are not free people.

In advocating that we reappraise our entire military relationship with the US, the CCJP seems to be arguing that we throw away the only relationship we have that could help us retain our freedom if we come under threat.

If that is so, then it follows that the CCJP does not seriously expect us to resist a takeover of this country by the forces of the Right or the Left. If this were to happen we could be like the South African blacks, well fed and healthy but without the basic freedoms of a working democracy.

Does the CCJP feel that we should not defend ourselves from being put into the position of, say, Poland, where the Catholic faithful are not even particularly well fed, let alone free? There are also plenty of Catholics around the world who are living under right-wing dictatorships.

There is more to life than simply eliminating poverty. It is quite true that if we did not have to spend money on being prepared to defend our way of life we would be in a better position to end poverty. In other words, is there not an enormous value also to be put on freedom and on defending it? Man cannot live by bread alone.

/9317

CSO: 4200/785

AUSTRALIA

OPPOSITION LEADER'S POLICIES DIVIDE BUSINESS

Sydney THE AUSTRALIAN in English 7 Feb 86 p 7

[Article by Paul Kelly]

[Text]

THIS week the Liberal Party was confronted with the central challenge of its new economic policy - that a free market for wages can only work if the power of the trade unions is broken.

It is because John Howard knows he cannot retreat on his drive for a freer labour market that he must campaign against union power. He will strive to make this the key issue for the next two years and at the 1987 election.

This strategy will deeply divide the business community in Australia, it will alienate much big business support from the Opposition, and it will institutionalise the split in the Liberal Party itself and ensure that Bob Hawke will campaign on his record, the Accord and consensus. But it will provide Mr Howard with a crusading theme which fuses the Liberal approach to reducing union power with generating economic growth.

On the broader plateau of history, the debate over the next two years will be about what social and political model Australia should follow.

The Liberals, influenced by both Ronald Reagan and Margaret Thatcher, will champion the American prototype of weak unions, market-based wage fixing and a flourishing entrepreneurial climate.

Labor will point instead to the European Social Democrat tradition of government-union cooperation where in countries like West Germany greater union economic power has bred a greater sense of union responsibility.

The full-scale meeting at Melbourne's Regent Hotel last Monday night between the Opposition front bench and the Business Council of Australia - the first such gathering under Mr Howard's leadership - revealed the depth of worry in business about the Liberal policy and the extent to which business is split over it.

The leaking of this meeting to the financial press was branded by one prominent Liberal as "poisonous" and by another as "treacherous".

Strong criticism of the Liberal approach came from the boss of Ford Australia, Bill Dix, chairman of Wormald International, John Utz, and many others, including CRA's Sir Roderick Carnegie.

The focus of complaints was the Opposition proposal to secure a free system through voluntary labour contracts outside the Arbitration Commission. But the real concern was the incompatibility of an industrial system which combined a free market for wages with substantial institutionalised union power, which was the feared outcome of the Liberal approach.

The most trenchant criticism came from Mr Dix, who pointed out that Australia was fundamentally different to America, which is the inspiration for the Liberal policy. (In fact, in Australia 57 per cent of the workforce is unionised, compared with 19 per cent in America.)

Mr Dix identified the extent of union power in Australia along with the notion of comparative wage justice as factors which would make a free labour market a recipe for great trouble.

But he went one decisive step further. Mr Dix said that history suggested that the industrial system couldn't be changed. That is, he didn't really believe the Liberals could make their policy work.

The fear of Mr Dix and other businessmen at the meeting is that if the Liberals try to implement labour market deregulation, then the result will be far worse for the economy, with greater wage rises when the economy is healthy.

BCA chairman, Westpac's Bob White, told *The Australian* yesterday: "There is a great deal of concern that too sudden a change will cause chaos . . . one member of the council said that when he went back to work tomorrow, he would have to deal with 19 different unions."

"There's no philosophical opposition. But there's a great deal of concern about the way in which wages are fixed. If we don't have the present centralised system, then what's going to take its place. Is it just going to be the law of the jungle?"

Mr White is a public supporter of labour market deregulation, but his worries reflect the concerns now pervading the senior ranks of the business community.

Hitherto, they have been kept fairly quiet. But the account of Monday night's meeting betrays the deeper concern.

It was CRA's managing director, John Ralph, who put his finger on one of the main elements of conflict in the business community. He argued that the union movement had a controlling power over the Australian economy.

(Bearing in mind that the Whitlam and Fraser governments were largely destroyed by the wage explosions of 1974 and 1981, few could doubt this.)

He said the meeting was talking about mining, agriculture and manufacturing but the real point was whether producers sold on the overseas market or the domestic market.

Those trading internationally could not live with the present cost situation at home. For domestic producers sometimes relying upon a protected market the situation was quite different.

In line with this analysis, the farm and mining lobbies are keener on the Howard free market for wages than are the manufacturers. The farm sector wants wage flexibility downwards right now to adjust to the depressed prospects it faces abroad.

The other conflict in business is between enterprises heavily unionised and those where unions are weak. This generally divides into big business versus small business. While many big corporations have several unions on site,

small business in Mr Howard's words is the "soft end" of union power and the Liberals are anxious to see small business expand free from the burden of unionisation.

At the very time when much of the BCA is sceptical of his approach Mr Howard should take heart at a major push being organised to bring together a new business lobby group more geared to the aspirations of small and medium business.

A meeting will be chaired by John Leard later this month

which contains people from the Australian Chamber of Commerce, Housing Industry Association, National Farmers Federation, Metal Trades Industry Association and Council of Small Business Associations in an effort to give a new coherence to private enterprise sentiment.

One certainty is that any emerging force here will be far more Mr Howard's way on labour market deregulation than is the BCA, which is more a who's who of the establishment.

The acting president of the Australian Chamber of Commerce, Andrew Hay, revealed the tensions in the business community this week when he attacked the BCA for being "more interested in the government gravy train than in the development of a market oriented economic system."

Mr Hay drew a comparison between the tentative attitude of much of the business community towards the 1982 debate under the Fraser Government about deregulation of the financial system and its attitude now toward deregulation of the labour system. He said that on both occasions many senior businessmen felt the idea was philosophically correct but the problems were a bit too difficult.

Mr Howard's dilemma will be to fashion a policy that has wide business backing. No leader likes to lose part of his constituency. But frankly, this

will probably prove impossible. The current upheaval within business over the Opposition's wages policy is a function of many factors, including the success, so far, of the Hawke Government.

At Monday's meeting, the Liberals soothed business fears by stressing that deregulation would be advanced with caution. But shadow treasurer Jim Carlton was firm in telling business that in the long run it had no choice but to support the policy and that existing union influence over the economy could be sustained only at the price of economic decline.

Some businessmen remained unimpressed. The boss of Rothmans, Stan Costigan, who moved the vote of thanks, replied along these lines: It's not our job to oppose the Government, it's your job; it's up to you to show the colour of your policies and what we've seen so far we don't like.

The implicit assumption underlying much of the debate was a recognition that under the Accord the unions have accepted through the arbitration system a lower level of wage rises than they could have got by threatening industrial action in the market place.

This is the Labor Government's ace against the Liberal Party: the Accord has delivered a lower wage outcome than would have been obtained by the market. While the Opposition bemoans union power the corporate leaders examine their books and recognise the union restraint. At what price will they lose it?

The Liberals must change the basic conditions in the market place to ensure that their policy is not counter-productive. This means striking down comparative wage justice which allows a wage rise in one sector to flow through to other sectors; and reducing union power, thus weakening the negotiating position of unions in the market.

The view is gaining ground inside the BCA that there are two inseparable issues — how wages are set and how much power unions have — and change must be achieved together. But how?

The businessmen don't know. It is a task for the Liberal Party in its industrial and economic policies now being formulated.

Perhaps the Liberals should look to Mrs Thatcher and the recent OECD report on the British economy. Right now unemployment in Britain is 13.2 per cent compared with 7.8 per cent in Australia.

Yet even at a jobless rate of 13.2 per cent the trade unions in Britain show no sign of moderating their wage demands and real wages continue to rise apace. The OECD identifies the absence of an incomes policy as the flaw in Thatcher economics.

By contrast, incomes policy through the Accord is the centrepiece of the Hawke Government. It has provided overall wage restraint at the cost of wage flexibility from one industry to another. But the great problem for Mr Hawke is that the restraint so far will not be sufficient to meet the emerging international trade problems Australia now faces.

Mr Howard, like Mrs Thatcher, is going to do without an Accord. Rather than work with the unions he will work against them. Politically he has no choice but to adopt this strategy since the Liberals must embrace the free market route.

It is potentially a populist plank. But can it work in practice?

A lot of businessmen believe that it can't and Mr Howard's job in the next few months is to convince them to the contrary.

/9317

CSO: 4200/785

AUSTRALIA

ABORIGINES PLAN AMERICA'S CUP PROTEST OVER LAND RIGHTS

HK061020 Hong Kong AFP in English 1005 GMT 6 Mar 86

[By Ian Pedley]

[Text] Sydney, Australia, 6 March (AFP)--Australian aborigines, seething over a government decision not to go ahead with land rights legislation, threaten to turn the America's Cup yachting spectacular into a major embarrassment for Australian authorities.

"We won't really even need to demonstrate," during the 5 months of races which get under way in October, leading land rights activists Gary Foley said in an interview with AGENCE FRANCE-PRESSE Thursday.

"The international media will see for themselves the millionaires and their yachts, and will compare the glamour and wealth and razamatazz of Fremantle with the incredibly bad health and living conditions of our people."

In 1983, Bob Hawke led the Australian Labor Party to federal government on a platform which included national land rights legislation for aborigines.

His victory came a year after 10,000 aborigines took to the streets in Brisbane during the Commonwealth Games, in protest marches to draw attention to their plight.

The government this week decided not to go ahead with the legislation amid strong opposition from the mining lobby and from the states--notably Western Australia, which feared the power of veto over mining it would give to aboriginal communities.

Mr Foley, director of the Aboriginal Arts Board, vowed that Fremantle--the West Australian venue for the cup races--would see a bigger and more effective protest than at Brisbane during the games.

He said that the country's 160,000 aborigines would use their one real weapon--"that is to substantially embarrass the West Australian and federal governments."

The America's Cup, the symbol of world yachting supremacy, is expected to draw an international press contingent of more than 2,000 during the 5 months of races which get under way next October.

Mr Foley said that what he called the world media's human rights push had succeeded in the Philippines. He added that once the South African problem was settled, the spotlight would turn on to the plight of Australian aborigines.

"If we can create the same media pressure, particularly from the Americans, as against South Africa, the government will be shamed into action."

Conditions for aborigines are "worse than in Bangladesh," Mr Foley said.

"In the Kimberleys (a remote area of Western Australia) the leprosy attack rate 2 years ago was the highest in the world."

Mr Foley, 35, who in 1972 helped establish an aboriginal tent embassy on the lawns of Parliament House as a protest against the government's attitude to aborigines, said he would help coordinate the America's Cup protest.

"While any action would have to be initiated by West Australian aborigines, that will happen because of the discontent there and they will receive extensive support from the other states."

Other aboriginal leaders also are threatening to disrupt Australia's bicentenary celebrations in 1988 over the land rights issue.

/12232

CSO: 4200/778

AUSTRALIA

BRIEFS

HAWKE TO VISIT JAPAN--Sydney, 6 March KYODO--Australian Prime Minister Robert Hawke will visit Japan 15 and 16 May for talks with his Japanese counterpart, Yasuhiro Nakasone, officials here said Thursday. The officials said the two prime ministers will exchange views on bilateral and international developments during the coming talks. Nakasone is expected to brief Hawke on discussions that will take place at the annual summit of the seven major industrialized countries to be held 4-6 May in Tokyo. The visit will be Hawke's first to Japan in 2 years. Nakasone visited Australia in January of last year. The Australian prime minister is also said to be planning to visit China on his way home from Japan. [Text] [Tokyo KYODO in English 0528 GMT 6 Mar 86 OW] /12232

RECORD WHEAT EXPORTS--Australia's wheat exports this year are heading for an all-time record. The Australian Wheat Board is optimistic that shipments will reach 60 million tonnes--2 million tonnes more than the previous record. The board has already exported 10 million tonnes, with 1.7 million tonnes being shipped in January. Among the biggest customers were the Soviet Union, China, and Egypt, which between them have purchased 7 million tonnes. A Wheat Board spokesman said the current harvest, almost completed, was estimated to be worth about Australian \$3,000 million--that is about U.S. \$2,000 million. [Text] [Melbourne Overseas Service in English 0430 GMT 18 Feb 86 BK] /8918

'SOCIALIST LEFT' DROPS HARTLEY--In Victoria, a meeting of the socialist left faction of the Labor Party's state branch has rejected a move to allow former labor left-winger, Mr Bill Hartley, to remain in the faction. Mr Hartley has been expelled from the ALP [Australian Labor Party] by the National Executive of the party for making statements criticizing ALP leaders and policies. However he plans to appeal against that decision at the next ALP national conference. The motion to allow Mr Hartley to remain in the socialist left faction was defeated after a sometimes heated debate. However, a later motion acknowledging Mr Hartley's right to appeal against his expulsion was supported almost without opposition. [Text] [Melbourne Overseas Service in English 0830 GMT 2 Mar 86 BK] /8918

CABINET WARNED TO CUT EXPENDITURES--The treasurer, Mr Keating, has warned cabinet ministers that government spending must be cut by about \$1,400 million in the coming budget and that is more than U.S. \$960 million. Mr Keating confirmed a newspaper report that he had circulated a document outlining the need for large budget cut to reduce the deficit. However, the treasurer played down the significance of the contents of the document. He said the spending cut figures are only a preliminary guide. But the leader of the opposition, Mr Howard, said the leaking of the figure to the press showed there was divisions in the government. He said the document was probably leaked by left-wing opponents of Mr Keating. He also said the figures meant the government had primarily admitted that the Australian economy faced a crisis. [Text] [Melbourne Overseas Service in English 0830 GMT 4 Mar 86 BK] /8918

INDONESIA

OUTGOING SWEDISH AMBASSADOR MEETS HOUSE SPEAKER

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 pp A6, A7

[Text] Jakarta, 15 Jan (ANTARA)--Swedish Ambassador to Indonesia Arne Lellki visited House Speaker H. Amirmachmud at his office here Wednesday to bid farewell as he is soon leaving this country for good because of the end of his five-year term.

A parliamentary spokesman disclosed further that the outgoing envoy said the relations between Indonesia and Sweden have considerably expanded, and the favourable development was reflected in the Scandinavian country's increasing need for Indonesian raw materials and in Indonesia's textile exports to that country.

Lellki also expressed admiration over President Soeharto's leadership, the development achievements of the country and the democratic system prevailing in Indonesia.

Amirmachmud hoped for the further development of the relations between the two countries in the future.

/9274
CSO: 4200/668

INDONESIA

HOUSE SPEAKER RECEIVES HUNGARIAN AMBASSADOR

Jakarta ANTARA NEWS BULLETIN in English 16 Jan 86 p A6

[Text] Jakarta, 16 Jan (ANTARA)--Hungarian ambassador to Indonesia Gyula Baranyi called on House Speaker Amirmachmud at the Parliament Building here Thursday to introduce himself.

During the meeting Amirmachmud and Baranyi agreed to the need for decreasing world tension through each country refraining from involvement in other countries' internal affairs.

Both viewed that relations between Indonesia and Hungary, particularly in the field of economic and trade, has undergone improvement lately marked by the visit of President Soeharto to Hungary last year.

Indonesia assumed diplomatic relations with Hungary in 1950. The relations between the two countries was quite bad when the abortive communist coup G-30-S broke out in Indonesia in 1965. It recovered in 1970.

House Speaker Amirmachmud on the occasion explained to his guest the democratic system used by Indonesia. Ambassador Baranyi also told the host about the democratic system in his country.

/9274

CSO: 4200/669

INDONESIA

GOLKAR OFFICIAL REITERATES GENERAL ELECTION TARGET

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A7

[Text] Jakarta, 16 Jan (ANTARA)--The Functional Group (Golkar) expects to win 70 percent of the votes in the 1987 general elections, a Golkar key official said when addressing the participants of a Panca Marga Youth cadre training here Thursday.

Yakub Tobing, in charge of cadre development of Golkar, further stated that the Group has started with preparations to win public support in the forthcoming polls.

In the 1971 elections, Golkar won 62.8 percent of the votes, 62.1 percent in the 1977 polls and 64.1 percent in the 1982 elections, he said.

The key to the success of Golkar in the three general elections, according to him, was its success in the national development and the close cooperation between Golkar, the Armed Forces and Korpri (civil servants).

To explain the nation the development successes, Golkar cadres were needed, as those being currently prepared, he said.

The 380 day training was followed by 200 youths coming from the different parts of Indonesia. They have at their disposal 120 mobile information units.

/9274
CSO: 4200/669

INDONESIA

LEGAL AID INSTITUTE DENIES ANTI-GOVERNMENT ALLEGATION

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A7

[Text] Jakarta, 20 Feb (ANTARA)--The chairman of the Indonesian Legal Aid Foundation (LBH), T. Mulya Lubis, has complained that legal aid bodies in the country have often been accused of being leftist, radical and anti-government.

In a hearing with House Commission III presided over by Vice-Chairman Sulaksono here Wednesday Mulya Lubis stated that the accusation is ill-founded, untrue and inaccurate.

The legal aid bodies protested against the government not because they are anti-government but solely in defence of the case, and when providing legal advice to those accused of conducting subversive actions, he said.

He added that the LBH's defence in the structural cases such as demolition and pollution had been their initial mission. According to him case-by-case dealings in the court are insufficient because they don't settle the heart of the problem which is rooted in poverty and disguised social injustice.

Mulya Lubis further called on members of Parliament to examine the case concerning land use that involves 2,000 residents of Cimerak, West Java, now undertaken by the LBH.

He said the LBH has urged the people to hand over their land to the government to be turned into the smallholders' nucleus plantation and on the other hand it has also asked the government to give the people adequate compensation. However the people are afraid of meeting the LBH as they might be accused of being anti-government or even being called communists. "This is a painful culture," he stressed.

The legal aid chairman, however, admitted with concern that some new legal aid bodies have sued their institutions for commercial purposes.

He regretted the government had paid Rp 100,000 to lawyers defending the case of the poor saying that they should be given to the LBH which can deal with more cases for the same amount.

With regard to this he appealed to Parliament to ask the government to grant tax freedom to legal aid funds received from businessmen for example and to urge the private sectors to donate to legal aid funds in the country that truly worked for equal distribution of legal service and justice.

Mulya Lubis said that the LBH had since 1971 settled as many as 30,000 cases concerned with crime labour, land-use, and other cases relating to social groups in society.

It has also given education programs to students, journalists, and has been conducting legal guidances for the social groups in the country.

The founder of the LBN, Adnan Buyung Nasution, on the occasion proposed that the law students be required to give legal aid for two to three years for the sake of caderization.

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CSO: 4200/782

INDUSTRIAL SECTOR EXPORT EARNINGS PROJECTED FOR 1986

Jakarta BUSINESS NEWS in English 15 Jan 86 p 5

[Text] Export earnings from the industrial sector is projected to reach US\$ 4,637 million in 1986, comprising US\$ 3,821 million from the export of commodities grouped in category I (strongly competitive) and US\$ 816 million from the export of commodities grouped in category II (still needing improvement in their competitiveness to face hard competition on the world market).

State revenues from exports of industrial products in the first eight months of 1985 stood at US\$ 2,553.4 million, far below the projection of US\$ 4,038.8 million for 1985. Sluggishness in the industrial sector in 1985 is due to the tight competition in the marketing of commodities, the decreasing demand on the market, existing impediments which hamper the promotion of exports as well as the scale of industrial companies and other internal problems.

The value of production in the industrial sector in 1984 compared with 1983 showed an increase of 13 percent for multifarious manufacturing industries, 13.57 percent for base chemical industries, and 2.10% for machinery and base metal industries.

In domestic trade activities, the period of debt repayment from distributors/retailers to producers has extended to two - three months. The selling price of several kinds of products in 1985 was stable. For certain commodities the debt servicing period reached around six months.

Value added of each industrial group based on the 1983's price level in 1983 and 1984 is as follows :

Industrial Group	1 9 8 3		1 9 8 4		Increase (%)
	Value added (billion rupiahs)	Role (%)	Value added (billion rupiahs)	Role (%)	
Multifarious industries.	4,109.2	53.3	4,278.2	54.4	4.1
Base chemical industries.	683.9	9.2	797.4	10.2	15.9
Machinery & base metal industries	1,681.2	22.6	1,789.0	22.7	6.8
Small industries	958.5	12.9	999.7	12.7	4.3
INDUSTRIES	7,432.8	100.0	7,864.3	100.0	5.8

Source: BPS (Central Bureau of Statistics).

The calculation of value added in the industrial sector for each industrial group and the national industrial growth rate in 1985 is still further examined, and the result is expected to be announced by the end of April 1986.

INDONESIA

FIRST STAGE OF IRRIGATION PROJECT IN NORTH SULAWESI COMPLETED

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A2

[Text] Manado, 15 Jan (ANTARA)--The government through the ministry of public works has completed the first stage of an irrigation system in North Sulawesi, which is projected to be capable of irrigating a total area of 2,576 hectares of arable land.

The completed first stage of the project will irrigate 1,245 hectares in Marisa district, Gorontalo regency, North Sulawesi, enabling the farmers to have two harvests per year in stead of one only.

North Sulawesi's provincial public works office chief Hendro Y. Muljono informed ANTARA Eere Tuesday that the Marisa-Taluduyunu irrigation project, which can irrigate 2,576 hectares of arable land, was expected to be completed in the 1987/1988 fiscal year and would cost more than Rp 3,565 million.

Construction work at the first stage of the project started in the 1981-1982 fiscal year and the total costs until completion this year amounted to more than Rp 2,440 million.

Several irrigation projects which are at present still underway in North Sulawesi, spread out in Gorontalo, Minahasa and Bolang Mongondow regencies, including the Marisa-Tuluduyunu project, will be capable of irrigating a total area of 7,150 hectares, Hendro Muljono said.

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CSO: 4200/668

INDONESIA

ORGANIZATIONAL STRUCTURE OF ATOMIC ENERGY AGENCY

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A4

[Text] Jakarta, 15 Jan (ANTARA)--The Indonesian National Atomic Energy Agency (BATAN) is a non-departmental government institution directly under and accountable to the President.

This is stipulated in a Presidential Decree dated 31 December 1985 on the organizational perfection of the agency.

The basis of the decree is the expanding and increasing importance of the tasks and role of BATAN in promoting technology, science and national development in general.

Headed by a Director General, the agency has the principal task of assisting the President in conductin, arranging and supervising research work and the application of atomic energy for the safety, health and welfare of the Indonesian people.

According to the decree, the agency also has deputies for basic research and application, nuclear industrial development research, assessment of nuclear science and technology, general affairs, education and training, and a staff of experts.

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CSO: 4200/668

INDONESIA

ECONOMIST WARNS ON LOWERING OF INTEREST RATE

Jakarta ANTARA NEWS BULLETIN in English 15 Jan 86 p A5

[Text] Bandung, 15 Jan (ANTARA)--A noted economist here Monday warned Indonesian bankers to be careful when they wish to lower their interest rate because the policy might possibly drive debtors to only move their credit for businesses abroad that offer higher rates of interest.

Prof Soemitro Djojohadikusumo said decreasing interest rate must not only be taken just for the purpose of balancing the economic condition in the country but it must also be done with regard to trends in international interest rate.

Soemitro was speaking in his own private capacity in a dinner held by the West Java chapter of the Indonesian Young Businessmen Association.

He further said that the government seems to have wished to decrease the bank interest rate on the ground that the rate of inflation in the country had decreased in the past year and will likely be so in 1986.

"Don't forget that Indonesia applies an open economic system that gives a chance for the movement of capital from home to overseas countries," he reminded adding that if the capital moves to other countries such as Hongkong, Singapore or the U.S. the real intention of the government to step up home production through the policy will be threatened.

Prof Soemitro strongly disagreed to the view that the government devalue the rupiah saying that the step is unnecessary because the exchange rate of dollars had been continuously diminishing in the last ten years.

The dinner by the West Java chapter of the Indonesian Young Businessmen Association was held to mark the inauguration of Dana Mitra Lingkungan Foundation (an organization of fund-raising for environment).

Prof Soemitro pointed out that the economic growth in the country will likely be the same as last year standing at around three percent and the price of oil will continuously go down.

With regard to this he appealed to the government to maintain oil production and at the same time to be efficient in using the commodity. "Don't stick to the platform," he asked.

The economic expert envisaged that nickel, tin and bauxite trade will increase beginning this last decade, while the industry will maintain stable through efficiency, managerial improvement and clean administration.

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INDONESIA

EDITORIAL VIEWS EFFECT OF LOWER INTEREST RATE

Jakarta BUSINESS NEWS in English 17 Jan 86 p 2

[Editorial: "The Interest Rate"]

[Text]

Since the banking deregulation on June 1, 1983, the interest rate for deposits — and naturally also credit interest — has considerably increased. Since then the level of the credit interest rate has been felt by both the business sector and the government as a major impediment to capital investments. Bank Indonesia has therefore adopted several measures to push the interest rate further down, among others by relaxing liquidity through the issue of money market securities (SBPU) and later the gradual decrease of SBPU interest. The rate of SBPU interest, originally put at 20.5%, has been reduced several times and now it stands at 17%. Parallel to this, the rate of time deposit interest has also been lowered by 4 — 6%. Meanwhile the credit interest rate has only slightly declined because banks still have to bear the burden of interest for previous deposits that have not expired. But in the beginning of the year the Governor of Bank Indonesia already voiced his hope that the credit interest will go down before long.

In his speech at the banker's dinner on January 14, the Governor of Bank Indonesia again assured the presence of facilities at the disposal of the central bank, which can help reduce the interest rate — especially for long term credits — namely second discount facilities. The Governor said that in order to provide long term credits banks should mobilize private funds to

the maximum, particularly relatively long-term funds. "But banks should unnecessarily link the long term credits they make available with the periods of their funds, because part of the short-term funds will remain for a fairly long time," the Governor indicated. He further stated that the central bank provides second discount facilities as an instrument for banks to overcome problems arising from a temporary mismatch in the granting of investment credits. Besides, in order to enable banks to manage their funds more flexibly, the central bank also makes available SBPU and first discount facilities.

The business sector welcomes the intention to lower the credit interest rate — especially investment credit interest. But in the meantime it should not be overlooked that low credit interest only constitutes one of the various other requirements for the boosting of investments. Different circles have also spoken of the necessity for providing sufficient opportunity to market their products, smoothening the handling of licences, eradicating illegal levies as well as time- and cost-consuming official levies, etc. As long as such impediments cannot yet be eliminated, the lowering of investment credit interest will not be able to induce any increase in capital investments.

Or what happens is as once pointed out by former finance minister Prof. Sumitro Djojohadikusumo, who suggested that the government should be cautious in reducing credit interest. While stressing that he did not mean to disapprove the lowering of the credit interest rate, he also indicated that Indonesia has an open economic system and the level of interest here cannot be viewed separately from the developments in other countries. The reality is now that the rates of interest in the other countries are also high enough, and if we are not careful in reducing the interest rate here there is the danger of people applying for credits in this country to finance their operations or to be deposited abroad and/or to finance imports, rather than buy domestic products.

Prof. Sumitro's warning is fairly realistic because even in the past — despite the high interest rate then — we experienced a rupiah drain, for most of the public as well as banks bought up the US dollar as they did in September 1984.

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CSO: 4200/668

INDONESIA

SELF-SUFFICIENCY IN SOYBEANS EXPECTED THIS YEAR

Jakarta ANTARA NEWS BULLETIN in English 16 Jan 86 p A8

[Text] Jakarta, 16 Jan (ANTARA)--Import of soy-beans this year is expected to be discontinued if efforts to step up production from 742,000 tons to 1.3 million tons could be realized, Junior Minister for Development of Food Products Engineer Wardoyo said here Wednesday.

He further explained that efforts to step up soy-bean production were carried out among other things through extension of the cultivation areas from 638,000 hectares to 1.33 million hectares. Out of the 1.33 million hectares some 1.2 million hectares will be included in the intensification program, he said. Through the intensification program productivity per hectare, which during PELITA III (third five-year development plan, 1979-1984) reached an average of eight quintals, could be stepped up to an average of one ton per hectares, the minister said.

Junior Minister Wardoyo said that increase in soy-bean production was necessary, because Indonesia was showing a tendency of continuous increased import of soy-beans, costing the country hundreds of millions of dollars in foreign exchange.

In 1982 soy-bean import stood at about 696 tons; in 1983 it increased to 220,873 tons; and in 1984 it reached 400,678 tons. In 1985 however a decline in import was recorded to 161,846 tons, he added.

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CSO: 4200/669

DECLINE OF 29 PERCENT IN IRIAN JAYA'S EXPORTS IN 1985

Irian Jaya's Exports Drop

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A5

[Text] Jayapura, 17 Jan (ANTARA)--Irian Jaya's exports in 1985 (January through November) recorded a value of US\$410,970,739.99, a decrease of US\$174,690,994.09 or 29 percent compared with the 1984 exports, which stood at US\$585,661,734.08, according to data, obtained by ANTARA from the Irian Jaya provincial trade office here Thursday.

The decline in Irian Jaya's export value was due to the ban on log export, imposed by the government since 1 January, 1985.

Irian Jaya's exports in 1985 consisted of products from four sectors, viz. mining, forest products, sea/river and plantation products.

The export value, obtained specially from the sector, reached US\$390,025,193.97 a decline of 29.83 percent compared with the previous year.

Exports of sea/river products stood in 1985 at US\$20,246,282.37, a decline of 5.51 percent and the plantation sector's export value reached US\$580,278.70, a decline of 48.31 percent.

Forest products recorded an export value of US\$118,984.95 or a decline of 98.62 percent compared with 1984.

Irian Jaya's exports in 1985 had as countries of destination Singapore, Japan, the Netherlands, Korea, Taiwan, Thailand, the Philippines and Italy.

Ombilin's Coal Exports Up

Jakarta ANTARA NEWS BULLETIN in English 17 Jan 86 p A5

[Text] Jakarta, 17 Jan (ANTARA)--The export of coal from the Ombilin mine in West Sumetara increased by 12.6 percent to 452,312 tons in 1985 from 401,520 the previous year, latest figures at the Mines and Energy Ministry indicated.

The foreign exchange earned from the coal export also increased to US\$16.57 million in 1985 from US \$14.36 the year before.

The coal was shipped to Malaysia, Thailand, Bangladesh, South Korea, Japan and Vietnam.

Domestic Sales Also Up

Meanwhile, sales of the Ombilin coal in the domestic market also increased to 269,724 tons in 1985 from 183,336 tons in the previous year with the value of Rp 11.6 billion and Rp 7.76 billion respectively.

The boost in domestic sales was attributed to the implementation of the government's policy which obligates cement plants in the country to use coal as source of fuel.

The Mines and Energy Ministry estimated that in 1986 the domestic consumption of coal would reach about 4,180,000 tons.

Ombilin's production target for this year meanwhile is 900,000 tons.

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CSO: 4200/669

INDONESIA

NO VISAS REQUIRED FOR BUSINESS TRIPS HERE

Jakarta ANTARA NEWS BULLETIN in English 18 Jan 86 pp A5, A6

[Text] Jakarta, 17 Jan (ANTARA)--Businessmen from 29 countries who would like to make a business trip to Indonesia are freed from the obligation to have a visit visa.

The visa is valid for two months but it cannot be renewed, sources at BKPM (coordinating board for investment) told ANTARA Friday.

A businessman sent to Indonesia by his company could be given a business visa by head of the Indonesian representative in his country.

If he intends to stay longer and can fulfill the requirements concerning his stay here his visit can be extended to six months counted from the day of his arrival.

BKPM took this step in an effort to improve services to prospective foreign investors that would help increase investments in Indonesia.

According to Manpower Minister's regulation No 04/1984 issued on 1 September 1984 a foreigner visiting Indonesia for business purposes should apply for a visa to the head of the Indonesian representative at his country of origin.

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CSO: 4200/669

INDONESIA

JAPAN NOT TO REDUCE OIL IMPORTS FROM INDONESIA

Jakarta ANTARA NEWS BULLETIN in English 18 Jan 86 pp A2, A3

[Text] Jakarta, 18 Jan (ANTARA)--Minister/Deputy Chief of Mission at the Japanese embassy here Shigenobu Nagai has stressed that Japan will not decrease its crude oil import from Indonesia, because of its oil import from the People's Republic of China (PRC).

At a press conference here Friday, Nagai said that Japan only imported crude from the PRC worth about US\$10 billion.

He admitted that as from 1983 Japan's import of Indonesian oil had been declining. In 1983 Japan's oil import from Indonesia covered about 15 percent of the overall Japanese oil import, which declined to 13 percent in 1985.

He said that although Japan's oil import from Indonesia was declining, but on the other hand Japan was the biggest importer of LNG from Indonesia.

According to Nagai, more than 50 percent of Japan's LNG import is from Indonesia. It is proper that Japan's oil import declines, if its LNG imports increasing, he said. [as published]

On the small Japanese non-oil/non-gas commodity imports from Indonesia, Nagai said that it was not the fault of his country.

Japan has opened its market to import goods, he said, but if Indonesian goods fail to enter the Japanese market, it is probably due to inability to compete.

To be able to enter the Japanese market, the goods should be of good quality, cheap in price and able to meet the customer's taste.

Forty Percent Suffer Losses

Nagai further pointed out that 40 percent out of the 210 Japanese business enterprises operating in Indonesia had been suffering losses lately, about 30 percent still made profits, out the remaining 30 percent could only managed to meet production costs. [as published]

According to Nagai the unfavourable situation was due to the government policy to frequently issue new permits, causing overproduction, such as in the textile industry.

INDONESIA

JAPAN TO COOPERATE IN INCREASING ENERGY SUPPLY

Jakarta ANTARA NEWS BULLETIN in English 19 Jan 86 p A2

[Text] Jakarta, 18 Jan (ANTARA)--Japan and Indonesia have agreed to promote cooperation in order to increase the amount of energy to supply the development in the two countries.

The agreement was made in the second Japan-Indonesia Commission on Energy meeting early this week in Tokyo, as disclosed by Minister of Mines and Energy Subroto here Saturday.

After reporting to President Soeharto at Bina Graha here Saturday, Minister Subroto explained that the energy cooperation comprises development of coal, new energy, investment in oil and natural gas, oil and gas trade, and technical assistance.

Subroto considered discussion of the commission quite important because energy will play a greater role in economy of developing and developed countries.

"Though we are aware of the reduced role of oil because of the increasing role of other energy sources," Subroto added.

The minister disclosed that based on the discussion of the commission, Japan will help coal development in the central part of Sumatra (Riau and Sinamar) and the use of solar heat as new energy.

In the investment sector, Japan will keep on helping to find oil and natural gas sources in Indonesia, as has been carried out so far.

"The commission did not discuss any investment commitment, but investment assistance through Japex and Inpec will be continued," said Subroto answering questions from newsmen.

In the trade sector, Indonesia has put forward its desire to increase oil exports and oil end-products to Japan's markets. "Besides crude oil, we have exported LNG, LPG, naphtha, LSWR, and calcined coke," the minister explained.

In technical assistance, Japan has helped Indonesia collecting complete and actual energy data. "Therefore, we have more complete data-based," he added.

Japan has also promised to provide aid for education in oil and gas sectors in Cepu (Central Java) which has been managed by Lemigas (Oil and Natural Gas Institution) so far.

Answering further questions, Subroto admitted Indonesia's crude oil market share in Japan was only 11.4 percent in 1985, a decline compared with the previous year when it was noted at 12 percent.

The decrease of Indonesia's oil market share was caused by the flow of oil from other countries, especially from the People's Republic of China, Oman, and Dubai, to Japan and the increase of the use of non-oil energy.

The market share of Indonesia's LNG in Japan reached 54.5 percent.

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INDONESIA

GOVERNMENT TO PROVIDE NEW EXPORT FACILITIES

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 pp A3, A4

[Text] Jakarta, 19 Feb (ANTARA)--The government is now arranging new facilities to be given to exporters in a bid to boost competitiveness of Indonesian products on overseas markets, Minister of Trade Rachmat Saleh has said.

Speaking at a parliamentary hearing with House Commission VII here Wednesday, he stressed that these facilities would not contradict the GATT provisions.

He noted that the government would revoke the "Export Certificate" facilities as of 1 April, 1986, to be replaced by an original "drawback" system which is now being arranged.

He added one of the facilities is the "Export Insurance" through which the exporters can reduce the possibility of losses, such as in the case of any failure of import payments.

Other facilities which are allowed by the GATT include the assistance of funds for covering promotion and market-penetrating costs, market-survey activities, efforts to seek overseas buyers, consultation on supply management and quality of export goods.

In the framework of penetrating the international market, Minister Rachmat Saleh considered the information on overseas market situations very significant.

In this context, he added the trade ministry will establish a market information centre to be run and developed by the Agency for National Export Development.

According to the minister, the success in boosting non-oil exports depends on three factors, notably the overseas market condition which is largely determined by the economic growth of such big countries as the United States, Japan and the EEC, as well as their protective policies.

The second factor is the business climate in Indonesia and the third is the competence of exporters that refers to their knowledge on market conditions, the ability in identifying the interest of buyers, the skill in penetrating the market and managing production and supply, in addition to toughness in market competition.

Trade With PRC

Concerning trade with the People's Republic of China, Minister of Trade Rachmat Saleh stressed again that there would be no special arrangements. "The trade procedures between Indonesia and PRC will be treated the same as those with other countries such as the United States and Japan," he said.

"Every holder of export licences can export to any country including the PRC," he added.

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CSO: 4200/782

INDONESIA

1985 CEMENT EXPORTS BELOW TARGET

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 pp A2, A3

[Text] Jakarta, 18 Jan (ANTARA)--Indonesia in 1985 exported only 500,000 tons of cement, far below the set target of two million tons. Chief Director of the Indocement Group Sudwikatmo told ANTARA Saturday.

Sudwikatmo cited two reasons for the failure to achieve the target, namely inability to compete in the world market against cements from Taiwan, Japan and South Korea, and the general sluggishness of the international market.

The cost of cement production in Indonesia, he explained, is relatively higher than in the three rival countries making it difficult for Indonesia to compete.

In the three countries production cost is relatively cheaper because their cement plants have already been using coal as fuel while the Indocement Group plant for instance are still using oil and natural gas.

Sudwikatmo estimated that the use of coal as fuel in Indonesia could cut cement production cost by about 14 percent theoretically. However, because of the absence of coal transportation means at the moment, and because cement manufacturers are obligated to make new investments to construct special coal terminals, the introduction of coal would be able to reduce cost by only about 10 percent.

"The Indocement Group, he said, would shift to the use of coal instead of oil and natural gas in March this year.

Illustrating the sluggishness of the world market at present, he pointed out that one of Indonesia's customers, Bangladesh, in 1985 postponed its purchase of cement. Another customer, Singapore, even cancelled its import from Indonesia because of the lack of funds for payment.

People's China

Sudwikatmo reported that his group is now eyeing the People's China market. Last year, the Indocement already signed a contract for the sales of 2.5 million ton to that country. The execution of this contract will be made through Kadin, the Indonesian chamber of commerce and industry.

During his visit to Indonesia last year, chairman of the Chinese Council for the Promotion of International Trade (CCPIT), Wang Yaoting, took time to inspect the Indocement plant in Cibinong, West Java, and concluded that it could become the ideal supplier of cement for his country.

So far the markets for Indonesian cement are Bangladesh, Sri Lanka, Pakistan, Brunei Darussalam, Hongkong, Singapore, Papua New Guinea and India.

Between Indonesia and India, he said, a counter-purchase contract was signed recently for a barter between Indonesian cement and India's wheat. In the first phase Indonesia will ship 500 tons of cement to India under the contract to be increased gradually as time goes.

The Indocement Group now produces about 7.7 million tons of cement a year, 60 percent of it for its domestic sales and the rest for export.

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CSO: 4200/669

INDONESIA

TRANSMIGRATION TO IRIAN JAYA CALLED KEY TO DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 p A2

[Text] Jayapura, (Irian Jaya), 20 Jan (ANTARA)--Irian Jaya Governor Izaak Hindom has said that the key for making development program a success in the province is laid on transmigration program.

Therefore, he went on, the transmigration program has to be done absolutely.

Speaking at a press conference here last weekend in connection with recent negative issued abroad on the transmigration program in Irian Jaya, the governor said that development experts from all over the world will be of the opinion on the need of inviting more transmigrants to come to the province to dig out potencies of the island.

He said that one million inhabitants of the province will not be able to develop the fast and rich province.

According to him, those who will be resettled in Irian Jaya are skilled farmers from Java and other regions with the hope that they will transfer their skill to their Irian Jaya counterparts.

In addition, he went on, the transmigration program in the province is also aimed at improving the welfare of the people.

A total of 14,761 families consisting of 61,731 people had been resettled in the province so far during the last (third) five year national development plans (Pelita III).

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CSO: 4200/669

INDONESIA

KRAKATAU STEEL TO BOOST SALES

Jakarta ANTARA NEWS BULLETIN in English 20 Jan 86 pp A6, A7

[Text] Jakarta, 20 Jan (ANTARA)--Pt Krakatau Steel this year plans to step up its sale value of its products to Rp 330 billion or increase by 14 percent compared with that of last year, it was disclosed here Monday.

President Director of PT Krakatau Steel, Ir. T. Ariwibowo told newsmen after reporting the latest development of the company to President Soeharto at his Cendana mansion here that this year's sale value will also include an export plan valued at about US dollars 50 million or an increase by 65 percent compared with that of the previous year worth only US dollars 30 million.

Last year, he went on, the sale value of the company's various products reached a total of Rp 290 billion (or about US dollars 290 million) or increased by 43 percent compared with that of the previous year.

Ir. Ariwibowo also revealed that the sale of sponge iron in 1985 reached a total of 203,000 tons or increased by about 50 percent compared with that of the previous year. An increase by about 71 percent was experienced by the company in the sale of steel plate, which in 1985 sold 345,000 tons.

The sale of ingot in 1985 was recorded at 1,060,000 tons or an increase by about 44 percent compared with that of the previous year, while iron rod production during 1985 reached a total of 793,000 tons or increased by 36 percent compared with that of the previous year, which only totalled 581,000 tons.

In this connection, Ariwibowo said, President Soeharto called on him (Ir. Ariwibowo) that PT Krakatau Steel should maintain the production level and step up its export drive.

During the meeting, Ir. Ariwibowo also reported to the President on the latest developments of the current construction of the cold rolling mill, which up to last November had been 68 percent completed.

He hopes the mill will be able to operate commercially during the first three-months of next year.

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CSO: 4200/669

INDONESIA

CONSTRUCTION OF FIRST PULP FACTORY STARTED

Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 pp A7, A8

[Text] Sosorladang, North Tapanuli, North Sumatera, 19 Feb (ANTARA)--Construction of Indonesia's first pulp factory at Sosorladang, a village in North Tapanuli, North Sumatera, began Wednesday when Manpower Minister Sudomo, Minister for Industries Ir. Hartarto and Union Minister for Stepping Up of Production of Hard Crops laid the first corner stones of the factory.

The factory will be built at a cost of Rp.213 billion on a 100 ha plot of land. It will be ready November next year and will be able to produce 165,000 tonnes of pulp and 54,000 tonnes of fiscose rayon per year.

Its commercial production will not be designed until 1988.

Even though the factory is estimated to leave negative impacts on the environment the government gives top priority to its construction in an effort to develop the national textile industry, according to Minister Hartarto.

When completed the factory will be able to employ 3,500 workers on a full time basis and 10,000 on part time basis.

Both North Sumatera Governor Kaharudin Nasution and North Tapanuli mayor Gustav Sinaga present at the ceremony stated the factory opens new opportunities for the economic and industrial fields, therefore they believed the negative impacts could be reduced to a very minimum level.

Long before the government decided to have the factory built the people had launched protests, saying the waste from the factory would pollute the rivers that are the source of their living.

The waste from the pulp factory will flow to the Asahan River which comes from Lake Toba and empties into the Malaca Strait.

Minister Hartarto therefore called for a serious effort to avoid an environmental pollution.

The board of executives of PT Into Indorayon Utama, the constructing company, stated the factory is equipped with air and water pollution preventive apparatus that meet the international standard.

INDONESIA

BRIEFS

NONOIL EXPORT VALUE DOWN--Jakarta, 12 Feb (ANTARA)--The value of Indonesian non-oil/gas export inched down by 1.4 percent in 1985 against the value in the previous year, Bank Indonesia statistics show. The non-oil/gas export earned US\$5,695 million in 1985 compared to US\$5,776 million in 1984, or down by US\$81 million. Indonesia's non-oil/gas export included palm oil, tapioca, palm kernel, pepper, copra, fertilizer, cement, plywood, sawn wood, rubber, tin, frozen shrimp, tobacco, rattan and electronic goods. Mostly the export earning was down because of drops in prices in the international market. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Feb 86 p A2] /9274

PT PAL EXPANSION--Surabaya, 12 Feb (ANTARA)--The state-owned shipping manufacturing company, PT PAL Surabaya, is planning to build a dock with a capacity of 30,000 tonnes on six-hectares of land around the company site. Director of PT PAL Surabaya Soekono said this to the East Java Governor, Wahono, Wednesday. He reported to the governor that the company will require a total of 250,000 cubic metres of sand to level up the project site. PT PAL is applying for guidance from the governor on how best to dig sand from the sea. PT PAL together with the director general of sea communications has conducted a survey in the Tanjung Priok port areas in connection with the acquiring of sand. It is expected that with the new dock yard, PT PAL would be able to build ships ranging from 17,000 to 30,000 DWT, and to repair large tankers which so far have only been repaired in Jakarta. Up to now, PT PAL has been manufacturing ships of 3,500 DWT at the most. The construction of the project has been underway with the installation of heavy equipment. It is due for completion in 1988, said Soekono. [Text] [Jakarta ANTARA NEWS BULLETIN in English 13 Feb 86 p A5] /9274

AIR LINKS WITH CANADA--Jakarta, 14 Feb (ANTARA)--Visiting Canadian Minister for International Trade James Francis Kelleher has hinted that he is now working on the Indonesian counterparts to establish a direct airlink between Canada and Indonesia. He told an informal meeting with reporters here Thursday that this plane service had been raised in his talks with Indonesian Minister of Touris, Post and Telecommunications Achmad Tahir. "Indonesia is interested as well," he said. Minister James Kelleher nevertheless added that the discussion had not yet mentioned details and that it would be left to the air-negotiators of the two sides to conclude it. According to him, a direct air-link between Canada and Indonesia is very important, particularly, in the

context of promoting Indonesian tourism. With the establishment of this plane service, he said Indonesia could export fresh tropical fruits to Canada which has so far brought in a great deal from such countries as New Zealand, Israel and South America. [Text] [Jakarta ANTARA NEWS BULLETIN in English 14 Feb 86 p A10] /9274

TRANSMIGRANTS FROM CENTRAL JAVA--Semarang, 17 Feb (ANTARA)--Central Java's representative office of the transmigration ministry resettled 531 families (2,209 persons) in transmigrations projects in Irian Jaya, Kalimantan, Sumatera and Sulawesi during 1 to 15 February, 1986. Out of the total, 197 families (872) persons were settled in the nucleus estate and small-holding projects, and the rest in public transmigration locations. The transmigrants hailed from Grobogan, Cilacap, Wonosobo, Surakarta, Blora, Pati, Tegal, Banyumas, Urebes, Sukoharjo, Banjar Negara, Semarang regency, Demak, Purworejo, Klaten and Pemalang. They formerly inhabited dry, critical and densely populated areas, a spokesman of the provincial transmigration office said recently. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Feb 86 p A3] /9274

BITUNG-DAVAO DIRECT SEA LINK--Manado, 18 Feb (ANTARA)--Director general for sea communications J. E. Habibie in a wire to North Sulawesi Governor C. J. Rantung sent last week approved of the opening of a direct sea link between Bitung port and Davao port in the Philippines. Habibie gave the approval following a request by Rantung that Bitung be opened for direct sea links with foreign countries to encourage exports of the province. Minister for Communications earlier decided the port was closed for foreign ships. The decision was a blow to the province trade activities, particularly the exporters who deal in international trade. In a press conference here Tuesday Rantung said the opening Bitung as an international port is a must to increase North Sulawesi's non-oil exports. Habibie's approval will enable North Sulawesi to compete with both foreign and domestic sea transportation companies. [Text] [Jakarta ANTARA NEWS BULLETIN in English 19 Feb 86 p A6] /9274

CALTEX OIL FIND--Jakarta, 20 Feb (ANTARA)--PT. Caltex Pacific Indonesia has recently made a new oil discovery in Riau Province which was tested at a combined flow rate exceeding 1,350 barrels of oil per day. The Pertamina Public Relations official said today that located in the "Kangaroo Block" approximately 18 kilometers northeast of Duri Field, Candi No 1 was drilled to a total depth of 1,361.5 meters striking pretertiary basement rocks. It was considered as an oil discovery in several horizons with individual swab tests ranging in rates from 275 to 743 barrels oil per day through an open choke in a two-inch inside diameter tubing. The zones tested were Lower Miocene Sihapas sands at depths between 478.5 and 319 meters. The API gravity of the produced oil ranged from 18° to 34°. PT. Caltex Pacific Indonesia is a jointly owned affiliate of Chevron Corporation and Texaco, Inc, which operates under a production sharing contract with Pertamina. [Text] [Jakarta ANTARA NEWS BULLETIN in English 20 Feb 86 p A9] /9274

EMPLOYMENT OF EXPATRIATES IN 1985--The demand for the new recruitment of expatriates in various fields in Indonesia in 1985 consisted 675 technicians and 58 management personnel. The need for expatriates in the mining sector in 1985 comprised 184 technicians and six management personnel, according to data obtained from the Manpower Ministry. The number of expatriates working in various fields in 1985 was registered at 8,627, consisting of 7,702 technicians and 925 management personnel. As many as 3,572 out of 8,627 expatriates working in Indonesia in 1985 were found in the mining sector, and 3,507 out of 3,572 expatriates working in the mining sector last year were technicians and the remaining 65 consisted of management personnel. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 3] /9274

OVERSEAS WORKERS' FOREIGN EXCHANGE EARNINGS--Indonesian workers recruited in Saudi Arabia under working contracts sent around US\$36 million in foreign exchange to Indonesia in 1985, Minister of Manpower Sudomo told the press after he met with President Soeharto at Bina Graha here Thursday. The amount has not reflected the total of foreign exchange earnings from Indonesian workers working in the Mideast country, because some of them have sent their money secretly to their families at home, the minister said. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 5] /9274

WOOD EXPORT FIGURES--Indonesia's exports of sawn timber and other wood products are projected to reach 3.3 million m3 worth US\$415 million at the end of Pelita IV (1988). The opening of a trading house for timber trade in Indonesia complete with a wood terminal is expected to enable Indonesian wood exporters to meet the target in increasing their exports of wood products. According to data collected by the Indonesian Timber Industries Association, the share of Indonesia in fulfilling the world demand for tropical hardwood has continued to increase in the past years. The volume of Indonesia's wood supply to the world market stood at about 1,462,000 m3 or about 26 percent of the world demand for 5,560,000 m3 of sawn timber in 1982, 1,730,000 m3 or about 30 percent of the world demand for 5,762,000 m3 in 1983, and 1,991,000 m3 or about 34 percent of the world supply of 5,877,000 m3 of sawn timber in 1984. The prospect of the marketing of tropical wood is very bright in the coming years. Producers and exporters of wood products in Indonesia are expected to be able to fulfill the demand of consumers, by among others making their products more competitive in quality and price. [Text] [Jakarta BUSINESS NEWS in English 17 Jan 86 p 8] /9274

CSO: 4200/668

MALAYSIA

SABAH'S MUSLIM OPPOSITION PARTIES THREATEN TO BOYCOTT POLLS

HK070622 Hong Kong AFP in English 0552 GMT 7 Mar 86

[Text] Kuala Lumpur, 7 March (AFP)--Moslem-based opposition parties in Sabah, east Malaysia, have threatened to boycott state polls called by Roman Catholic Chief Minister Joseph Pairin Kitingan whose appointment they have disputed.

Mustapha Harun, leader of the United Sabah National Organization (USNO), said Thursday that his party which holds 16 of the 48 elected seats in the state legislature would not take part in the elections until the High Court ruled on the legality of Mr Kitingan's appointment.

Mr Mustapha, 67, filed a suit in May last year seeking a declaration that he is Sabah's legal chief minister because Governor Adnan Robert swore him into office after bitterly contested state elections 10 months ago.

He claims that his subsequent sacking by Mr Adnan and Mr Kitingan's appointment were unconstitutional because a governor cannot fire a chief minister once appointed.

Mr Mustapha and leaders of the Parti Berjaya, a member of Prime Minister Dr Mahathir Mohamad's 11-party National Front Coalition, claim that Mr Kitingan had no right to advise Governor Adnan to dissolve the assembly last week because the validity of his appointment as chief minister was being challenged in court.

"USNO will of course contest in the election if the validity of Mr Kitingan's appointment is established by the court," Mr Mustapha, who was Sabah's chief minister in the 1960s, said. The High Court has announced that it will rule on the suit on 15 April.

Berjaya Vice-President Abdul Malek Chua said in Kota Kinabalu, dissolution of the assembly while the court's ruling was still pending was "subjudicial and in contempt of court."

USNO officials said that they were seeking an emergency sitting of the state assembly to stop the election.

An independent assemblyman, said to be aligned to USNO, filed a writ in the Sabah High Court on Saturday seeking to stop the dissolution of the assembly. The court will hear arguments on the case next Wednesday.

Mr Kitingan's dissolution of the assembly last week came in the wake of a defection by four assemblymen from his ruling Parti Bersatu Sabu (PBS), largely backed by Sabah's Christian Kadazan and ethnic Chinese communities in the last elections.

The defections cut PBS representation in the house to a precarious 24, half of the elected seats, although the party has the services of 6 appointed members.

The Federal Elections Commission on Monday deferred fixing a date for the elections citing administrative and financial problems for the delay.

Under the state constitution, however, polls must be held by 26 May or within 90 days of the assembly's dissolution.

/12232

CSO: 4200/776

MALAYSIA

ANTICIPATED 1986 GROWTH RATE CUT IN HALF

HK070510 Hong Kong AFP in English 0449 GMT 7 Mar 86

[Text] Kuala Lumpur, 7 March (AFP)--Malaysia has halved its projected growth rate this year to 3 percent and said that economic prospects for the next 3 years look uncertain due to falling commodity prices and foreign investments.

Finance Minister Daim Zainuddin said in a report on the economy released Thursday that gross national product growth for 1985 had been revised down to 2.8 percent against 5.2 percent estimated in October when he presented the budget to Parliament.

Mr Daim called his growth estimates for this year "very tentative" and said that the outturn could be better if commodity prices improved and the private sector responded to government policies to promote investments.

But a banker said he saw little prospects for an upturn in export prices of Malaysian crude oil, palm oil and tin, adding that uncertainties triggered by an imminent general election and last week's resignation of Deputy Prime Minister Musa Hitam were unlikely to stimulate new investments.

Malaysian tapis crude is currently priced at 23.90 U.S. dollars, after a 4 U.S. dollars cut last month, while spot prices are far lower at about 16 U.S. dollars per barrel.

The treasury expected crude oil prices to average at 26 U.S. dollars per barrel when drawing up its revenue and growth estimates in October last year.

Palm oil, Malaysia's largest agricultural export, was quoted at 435 Malaysian dollars (181 U.S.) a tonne this week, against an average of 1,046 Malaysian Dollars (436 U.S.) last year.

Mr Daim said that government plans to build 80,000 low-cost houses annually over the next 3 years and open up more land for development could improve growth prospects.

He said that the treasury may refinance some of its huge yen-dominated loans to take advantage of lower Japanese interest rates after saving some 89 million U.S. dollars by prepaying seven U.S. dominated loans totalling 2.6 billion U.S. dollars in recent months.

Mr Daim said that imports fell by some 2.4 billion Malaysian dollars (1 billion U.S.) last year, helping narrow the current account deficit to about 2 billion Malaysian dollars (833 million U.S.).

The treasury had earlier estimated the current account deficit for 1985 at some 5.3 billion Malaysian dollars (2.2 million Malaysian) [as received] because of high freight and insurance charges and the outflow of income due to foreign investors.

/12232

CSO: 4200/776

NEW ZEALAND

LANGE CITED ON LIBYA, TERRORISM ISSUES

HK280303 Wellington THE EVENING POST in English 22 Jan 86 p 7

/Text/ New Zealand Press Association--New Zealand had more cause than any other country to abhor state-backed terrorism, the prime minister, Mr Lange, said yesterday, following cabinet's rejection of a trade embargo against Libya.

Instead, the government's decision had been made in the light of a lack of international agreement on the desirability and effectiveness of sanctions.

But while deploring terrorism, Mr Lange added that the threat of such activity by certain Palestinian groups was likely to continue until there was a settlement that accommodated the "legitimate aspirations" of the Palestinians.

The search for such a settlement deserved higher priority on the international agenda, he said in a statement released after yesterday's cabinet meeting.

He later told a press conference that terrorism had struck home for New Zealanders with the bombing of the Rainbow Warrior last year.

"New Zealand has not received, from the French, one cent in compensation for what that terrorism cost us last year."

Nearly 2 weeks ago the government received a letter from President Reagan, of the United States, which, Mr Lange said, expressed the hope that "New Zealand would join in a broad-based international response to Libya's support of international terrorism."

New Zealand had always joined in sanctions that had the backing of the international community or the Commonwealth. But there was nothing approaching international agreement on Libya.

It would also have been "trite" for New Zealand to impose some sanctions when manifestly it had nothing to sanction.

President Reagan had cited "irrefutable evidence" that Libya's Colonel Qaddafi was involved in the Rome and Vienna airport massacres.

Asked if he had seen the "irrefutable evidence," Mr Lange said no, but Libya had described some acts of terrorism as "divinely sanctioned."

Mr Lange said the letter from President Reagan had not asked for a specific course of action.

"He knew that our trade with Libya was minimal and we have made a commitment pursuant to the President's initiative.

"We will not move to render ineffective some other country's sanctions.

Mr Lange said a threat by the Iranian ambassador that New Zealand should not join economic sanctions against Libya if it wanted to keep trading with Iran had not been considered by cabinet.

In his statement Mr Lange said: "We know that the threat of terrorist activity by certain Palestinian groups is likely to persist until there is a settlement in the Middle East that accommodates the legitimate aspirations of the Palestinians."

Measures had, he said, already been taken at airports and elsewhere that had helped.

But there was doubtless scope for better coordination of counterterrorist activities.

More effective action was needed, said Mr Lange, to ensure that governments did not provide asylum for known terrorists or grant terrorist organizations a base of operation.

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CSO: 5600/4344

NEW ZEALAND

LANGE DISCUSSES RELATIONS WITH FRANCE, NUCLEAR POLICY

PM281217 Paris LE MONDE in French 28 Feb 86 p 7

[Interview with New Zealand Prime Minister David Lange by R.P. Paringaux--
date and place not given]

[Text] [Paringaux] For various reasons--the denuclearization treaty,
diplomatic maneuvers, criticism of their policy--the French leaders
imagine that New Zealand is plotting with its neighbors to expel France
from the South Pacific....

[Lange] The French have a strange way of looking at things. These are
probably the typical tactics of governments wanting to exploit citizens'
nationalism. When you are a long way from the situation here it is easy
to put forward the theory of a plot for your own benefit. In fact I
have been attacked by radical groups in New Zealand and the South Pacific
for constantly supporting some initiatives which the French Government
has taken in the region.

For a long time now I have also taken care to draw the attention of local
French representatives to the very clear difference between our concern
about nuclear tests--not only those carried out by France but all nuclear
tests--and our respect for a whole series of actions in New Caledonia
which we regard as positive. Moreover, our view of France is not that
of a monolith which is simply a target for our darts. We appreciate its
diversity, its sophistication, its qualities, and its culture, but
perhaps we are wrong?

No Animosity Against France

[Paringaux] Can France be more closely involved in South Pacific's future
without abandoning the nuclear tests in the region or granting independence
to New Caledonia and Polynesia?

[Lange] The question of nuclear tests is very very difficult. It is
certainly an obstacle to a general improvement in relations with France
but it is not a barrier to all forms of cooperation.

In fact France has positive relations with some South Pacific nations through the Lome Convention. Moreover, relations between Paris and the countries in the region are not determined by just one type of problem. For instance, we are capable of drawing a distinction between the period of time which seems appropriate to the development of the situation in New Caledonia and the period necessary in French Polynesia. We do not confuse the two questions, we believe in peoples' rights to self-determination, and we think that from this viewpoint the situations in Polynesia and New Caledonia are very different.

[Paringaux] After various approaches, what can you do to try and change French policy in the region? Do you think time and history are on your side?

[Lange] I would like the French to know that we appreciate the developments in New Caledonia. The French Government has been courageous, and I said so publicly. It would have been easy and politically popular for it to go back on the process of change. It could have done so by calling attention to the relations which some Kanak groups have [in] Libya. However, it kept its cool, continued the dialogue, and the move toward independence, thus avoiding a tragedy. We appreciate that. In the final analysis, the only real obstacle to the development of relations between the countries in the region and France is what is happening in Mururoa.

The French must understand that there is no real animosity toward them in New Zealand. Quite the reverse; it is quite extraordinary for us to see the way in which we are portrayed in France as some kind of Anglo-Saxon monsters, and as abnormal people. We have been protesting the nuclear tests for 10 years. When the problem became acute, President Mitterrand went in person to pose for the photographers at the test site. This affair has now become a problem of national pride, and a political symbol much more than a military necessity. When you have the capability to destroy the planet 10 times over, it strikes me that there is hardly an urgent need to continue, except for political reasons.

[Paringaux] You are opposed to the nuclear tests. You have banned U.S. ships equipped with this kind of weapon from putting into your ports and in so doing you have called into question the tripartite ANZUS treaty. What is the reason for the New Zealanders' allergy to nuclear weapons?

[Lange] It is primarily a question of geographical position, experience, and judgment. It is perhaps also a moral matter, but that goes beyond this question. It is a fundamental problem: From an egocentric viewpoint, we think that our interests are best served by this policy. This reflects our particular strategic position. If we were within range of a battery of Soviet missiles, we would certainly have a different viewpoint. But the fact is that ours is a remote island, without strategic importance; we do not have nuclear weapons, and nobody is asking us to have such weapons. We are not directly threatened by any enemy. It is important to realize that the Cam-Ranh base in Vietnam, which is often portrayed as the most dangerous expression of Soviet expansionism in the region is farther from New Zealand than it is from Italy.

As for our defense, although it has some military aspects, we think it should be based primarily on the development of multifaceted relations with our South Pacific neighbors. We have developed a tranquil world with them which the superpowers have not yet disturbed. It is against this strategic background that our allergy to nuclear weapons has been developed--an allergy which owes a great deal to the fact that several powers--the United States (in Bikini), Britain (in Australia), and France--have chosen the region for their nuclear tests. The first two stopped a long time ago, France which arrived much later, is continuing....

[Paringaux] What is happening in the affair of the French secret service agents? Paris says: Release them first and we will pay damages and interest afterwards. You reply: The question of reparations and the fate of the prisoners must be kept separate. Is a compromise possible?

[Lange] France simply wants to buy back two prisoners who pleaded guilty to murder. However, the French Government has admitted its wrongs. If New Zealand had organized an expedition to France and sunk a ship on the Seine killing somebody, I think French public opinion would have difficulty in understanding why the guilty parties should be released immediately. Moreover, it is obvious that France is perfectly capable of understanding the principle of the supremacy of the law. Recently it released two PLO terrorists well before their prison sentences expired and that action was condemned by [former French Prime Minister] Raymond Barre. In view of such reactions, we would not like to run the risk of criticism from the French right by releasing two people sentenced for a particularly serious crime....

[Paringaux] What chance have Mrs Prieur and Mr Mafart of being released before they have served their full sentence? Is it politically feasible for you to do this?

[Lange] The facts must be faced. What we expect from France is a reasonable attitude and relations, while realizing that we naturally cannot agree on everything. But what we do not want to see is the continuation of measures--non-tariff barriers, import licenses, tariffs--which the French are stepping up at present to exert commercial pressures on us. This is really a strange way of trying to secure the release of two criminals. As a state we cannot release these people before they have served a suitable proportion of their sentences. In New Zealand justice cannot be affected by government manipulations.

[Paringaux] What shocks the French most is that you refer to the two agents as "terrorists" comparable, for instance, with the people who hijacked the "Achille Lauro." The comparison has been made here....

[Lange] I have avoided this kind of offense. Nonetheless although some legal definitions are sometimes vague, the sabotage of the "Rainbow Warrior" can readily be portrayed here as an act of international terrorism perpetrated with the support of a state for political motives. What the New Zealanders find most difficult to understand is that the French

Government, which initially denied any involvement in the attack, and which subsequently condemned it, and then promised to make every effort to ensure that the guilty parties were punished, suddenly decided to change its attitude and change the guilty parties into good and loyal soldiers who carried out orders. I have no doubt they are, but in our views they are first and foremost criminals. That is the whole problem.

[Paringaux] During the election campaign in France the opposition, especially Giscard D'Estaing and Chirac, has adopted a tougher tone toward you. Do you fear a resurgence of bilateral tension, and a questioning of the process started in New Caledonia?

[Lange] This is a characteristic of election campaigns. Indeed I think the right-wing politicians have been fairly moderate in their statements and actions. It would have been easy to visit New Caledonia and make extreme statements and whip up strong feelings. They have resisted the temptation. We hope that this moderation will continue and will be a response to the moderation of the majority of Kanaks.

[Paringaux] What do you expect from France in the short term?

[Lange] We must not ask too much. The best thing is to allow things to cool down, and, despite everything, to maintain civilized relations between our two countries.

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CSO: 4219/29

PHILIPPINES

PAPER PROFILES FORMER ENVOY'S ROLE IN ELECTION

Quezon City WE FORUM in English 4-10 Feb 86 p 15

[Article by S. Dipasupil: "Bayan's Responsibility To the People"]

[Text] After more than 30 years in the service of the Republic, this man faces probably the toughest challenge of his life: Convincing people not to vote back into office the man whose government he served for a major part of his career. Not only that. He is also part of a nationwide campaign to persuade voters to shun the polls that his former boss badly needs to shore up his sagging credibility.

"The mere fact you were in government doesn't mean you can't disagree with it," chuckles retired ambassador Carlos Faustino, now vice-chairman of the Bagong Alyansang Makabayan (BAYAN) for Metro Manila.

Now 72 and sporting a thinning pate, this former diplomat is at the helm of a two million strong-organization dominated by young idealists brandishing a radical and often controversial ideology. Before his retirement in 1978, he manned diplomatic posts in Bangkok, London, Paris, the Vatican, Hamburg, Hong Kong, Los Angeles and San Francisco. His last post was in Belgium and with the European Economic Community (EEC).

A member of UP Law Class '38, he missed graduating by only one year with the famous class '39, which produced a President, a Batasan Speaker and a recent Supreme Court chief Justice among other "notables."

He joined Bayan in May, 1985, and says he has not regretted his decision, except that his wife sometimes teases him for being a "late bloomer" ("Kung kailan ka pa tumanda..."). Since then, there has been no stopping him. Still fit and sprightly at 72, he has joined various marches and rallies led by Bayan, and doesn't mind joining a couple more.

"I consider Marcos an important problem, that's why I am here," he explains over a cup of coffee, as low-flying planes from nearby MIA zoomed overhead in his modest bungalow in Merville, Paranaque. "But even with Marcos out," he continues, "there will still be plenty of our basic problems left, which Cory (Aquino) cannot solve all at once. In the first place, her program of government suffers from some very serious defects..." he rambles on, citing her compromising stand on the fate of the US bases, and the prospect of

communists coming out in the open and joining the political process.

His pet peeve, however, is the US bases issue, a "major irritant" that rankles his national nerves no end.

Echoing the old but still very valid argument that the US bases in the country are a threat to the survival of the Filipino people, he maintains that "we'll be caught in the crossfire" in case of war between the Soviets and the Americans.

"Take note that outside of the United States their bases here are probably their most important military installations," he warms up to the subject. He brushes aside claims that no foreign power would be interested in bombing the Philippines, insisting that even if that may be so, "we can be sure that the US bases will be attacked, and on that score alone, they should go, because they increase the risk of foreign attack."

He warns that considering the effect of nuclear warfare, "the whole country will be devastated, and survivors will not be any luckier, because generations of Filipinos will still bear the marks of the nuclear holocaust."

According to Faustino, it is "diversionary" to reduce the US bases issue to a choice between democracy and communism, whether of the Russian or local variety. He says it is too "simplistic" to claim that should the US bases go, the Russians would want to fill in the military vacuum created by their ouster from the Asia-Pacific region.

"Russia does not have as much interest here as it did in Afghanistan, that's why talk of a Russian invasion here is pure speculation and conjecture," he counters. And as for the local communists, he claims this is more a problem of government credibility and effectivity.

"If our government had established reforms, put things in order, respected human rights and taken care of our poor, we would not have a rapidly growing communist insurgency in our hands," he argued impassionedly.

He insists that whatever government comes into power will have to take care of all these problems. "The economic crisis will go on with Marcos' exit, so it's Bayan's responsibility to steer the people to the right path," he declares. "Bayan's role does not end on February 7, if Cory wins. We'll continue our work..."

/9274

CSO: 4200/784

PHILIPPINES

WEEKLY ANALYZES POLL BOYCOTT, IMPACT

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 pp 3-11

[Article by Candy Quimpo: "Boycotters Not Vital To Final Count"]

[Text] It is a sobering thought, Ferdinand Marcos emerges the victor of the coming presidential contest, his arch-rival Corazon Aquino losing by the slimmest of margins. And the margin by which he wins is approximately the number of people who opted for boycott.

The scenario immediately lends credibility to the fiction of a fair and honest election. The traditional Opposition is handed the dubious distinction of "almost-winning-if-it-hadn't-been-for..." The boycotters of the last election who chose to support Aquino's candidacy have reason to distance themselves from the roots of their discontent. America gives the squeaky victory her nod of approval. And Ferdinand Marcos, health willing, rules for the next six years.

The high participation rate during the parliamentary elections in 1984 (83%), may dim boycotters' hopes that theirs is a national consensus. Says one political observer: "Boycott runs counter-culture in the Philippines. One might say that participation cleaves to the Filipino's fiesta mentality. A citizen would rather participate in the circus than stand idly by because it runs against his principles." A study of the May, 1984 elections however indicates that, during the post-election demonstrations, "the effectiveness of the political education campaign of the boycotting Opposition was said to have complemented the organizational efforts of the participation Opposition". The boycott campaign may in fact have been more effective in the aftermath rather than during the election itself.

1986's boycotters did not come up with their decision in a snap. Taken aback by the President's sudden cheerful acquiescence to a snap poll, the boycott verdict was reached only after much soul-searching and haggling with the participation-bent moderates. Though the Kilusang Mayo Uno (KMU) and the League of Filipino Students (LFS) almost immediately announced their intentions to boycott, the Bagong Alyansang Makabayan (BAYAN)--an umbrella organization of multi-sectoral nationalist groups including the LFS and KMU--took until January 8 to make its final boycott stance.

The decision came after agonizing debates within the organization. It was BAYAN stalwart Chino Roces, ex-publisher of the defunct Manila Times, who trudged the streets in search of a million signatures to spur Aquino's candidacy. BAYAN chairman, former Senator Lorenzo Tanada sat at Aquino's side as she announced her intention to run for the presidency. Boy Tripson, executive-director of BAYAN, Rizal, took a leave of absence to campaign with the Aquino camp.

Explains Joe Castro, acting-executive-director of BAYAN, Rizal: "BAYAN, when it was formed, considered electoral struggle a form by which it could advance the popular struggle. BAYAN is not anti-election." BAYAN's electoral struggle commission ranks equally with its popular struggle commission. The electoral struggle commission is tasked with actively seeking unity with political groups and parties with the ultimate goal of forging, "not tactical alliances but principled alliances". The commission develops mass-oriented politics and guidelines for proposed platforms of government.

After extensive deliberations, says Castro, BAYAN's National Executive Council resolved that BAYAN would participate in the snap elections if three conditions were met: the resignation of the President to provide the vacancy demanded by the Constitution; synchronization of the mayoral and presidential elections to prevent the further worsening of the economy; and, "as a democratization measure", the full restoration of the writ of habeas corpus and the abolition of the Preventive Detention Action (PDA).

The three demands, BAYAN hoped, would forge unity among the political forces and pressure the President into conducting a free, meaningful and fair electoral contest.

The demands however provoked the dissent of BAYAN members who felt that the non-compliance of the government was a foregone conclusion and that the demands were unrealistic considering the government's record of intractability.

Later, BAYAN modified its rigid stance, deciding to submit planks to the Laban ng Bayan Coalition to integrate their party platform.

Aquino's "personal" decision to run under the UNIDO banner dismayed the would-be voters in BAYAN. "(Aquino's decision) changed substantially her program of government," Castro stressed, "UNIDO's program is far from that of the Laban ng Bayan. UNIDO hardly touches the roots of the problems of the people while Laban ng Bayan hews closely to specific nationalist and democratic demands."

On December 15, BAYAN created a special committee to consult with the political leaders of the Laban ng Bayan coalition. The day before Christmas found the committee toting a short list of nationalist and democratic demands to be submitted to Aquino through intermediaries which included Nene Pimentel, Bren Guiao, Tony Gonzales and Jaime Ongpin. "We were hoping that Cory Aquino would have a chance to meet with us after reviewing our minimum program. The holidays came and went however and there was no response--formal or informal--from the Aquino camp."

Aquino authorized MP Cecilia Munoz-Palma and former university president Emanuel Soriano to meet with the committee on January 3. The meeting was a dismal failure.

Soriano presented the committee with a copy of the unity agreement between UNIDO chief Salvador Laurel and Liberal Party head Jovito Salonga as witnessed by Aquino. In it was mentioned a minimum program which Soriano said substantially addressed BAYAN's demands.

Castro however insists that the opposite was true. BAYAN's demand for the immediate abrogation of the U.S. bases pact was watered down to "abiding with the agreement until 1991 then keeping our options open". The stand on onerous treaties entered into by the Marcos government, Castro said, was treated meekly by a "review and evaluation--of the agreements in the context of national interest". "It was couched in such vague terms...we wanted them to define clearly what they intend to do." Instead of unconditional amnesty to all political offenders, said Castro, "they attached a condition: to renounce the use of violence. BAYAN views violence as having been institutionalized by the fascist regime of Marcos. Violence emanates from the state and not from the people. The Unity Agreement ignored the reality that people opted to take the violent form of redressing grievances because they were no longer given any other option by the state."

Palma, Castro said, explained that she had not had the chance to glance through BAYAN's list of democratic demands before the meeting and promised to speak to Aquino. Soriano, in his turn, contended that 99% of the 15 demands were substantially addressed by the Unity Agreement. "Afterwards, we never received an official reply from Aquino on the meeting," Castro said.

Five days later, following an entire day of discussion by BAYAN's National Council, 84 BAYAN leaders voted boycott and six voted participation.

"We really wanted to participate--but to participate in such a way that we could use the snap election to advance the people's struggle against the U.S. Marcos dictatorship," adds Castro. "To us, it did not matter who the candidate was but what the principles of government would be."

BAYAN executive director-on-leave Boy Tripon explains his decision to participate: "I believe that some of the premises of the boycott decision are wrong. I told them that I would not abide by the majority decision. I felt that we were doing a great disservice to the people by boycotting the elections. To participate in the election is a no-lose situation. To boycott is a no-win situation."

Indeed, despite Castro's confidence that "Our two million members will abide by the decision", sources say that BAYAN leaders in Mindanao expect 40% to 90% of BAYAN's Mindanao followers to participate in the coming elections.

Castro however insists, "This is not a numbers game. If at all, our aim is to accomplish, through the boycott campaign, the politicization of the people."

Tripon counters that boycott confounds this aim rather than propounds it. "We cannot leave to the traditional politicians the job of politicizing the people. I think that (Cory Aquino) has already won. It is not a question of a formal victory but a popular victory. It will be a victory of the people in that they overcome their fear of the dictator. The middle class will wake up and join the struggle of the lower classes. The recycled politicians are having a hey-day. If we leave it to them, the people will have nothing to hang on to after the elections. I am convinced that the traditional politicians are making a damn big mistake by bringing back circus politics. We have to leave (the people) with more substantial things than silly jokes about Marcos."

Unlike the 1984 boycott of the parliamentary elections, the present boycott movement will not call for registration of boycotters. Instead, its proponents encourage its members to man monitoring units which aim to expose cases of fraud, cheating and terrorism during the elections. The odd maneuver, says Castro, is not a contradiction since BAYAN is committed to the protection of human rights. "BAYAN itself is not mobilizing such units, but component organizations are free to join anti-fraud forces."

BAYAN's plans include symposia on boycott issues in venues all over the country; pickets; rallies; strikes. Last week, an alliance of urban poor and fishermen affected by the coastal road development project of the government staged a "Lakbay Dagat, Lakbay Lupa, Lakbay Riles" in which members marched to Plaza Miranda (or took trains and bancas via the Pasig River) for BAYAN's first boycott rally.

In Souther Luzon, miting de avances will be held to announce the coalition's plans for election day. BAYAN predicts that mobilization for the miting de avances will reach 10,000 per province. This week, a Visayan-wide workers' rally is planned along with a coordinated regional strike. The workers' rallies are to be held in front of military camps.

The Human Rights organizations and other multi-sectoral groups are also expected to spend election day monitoring fraud and terrorism.

BAYAN's schedule of activities appears bent on bringing back the groundswell of support boycott enjoined during the parliamentary elections. The planned LAKBAYAN on the first week of February however will be missing a few popular boycott personalities of the last elections.

A political analyst described BAYAN's boycott decision as "a set of conflicting signals". "First, it is definitely not a hardline boycott because BAYAN allowed a lot of its people to go on leave to support the Aquino campaign," the analyst said, "Secondly, BAYAN chapters have organized anti-fraud units for election day. In terms of the electoral process, most boycotters are unregistered anyway and therefore do not count in the equation. It is not an opportunity loss since the percentage of boycotters will not be significant to the final count."

Says Rene Saguisag, former avid boycotter-turned-Aquino spokesman: "In 1984, the line was that the election was made meaningless by Amendment 6 and the impotent nature of the assembly.... In '84, in fighting for the doughnut all you get is the hole--Marcos got the dough. This time, we could get the dough. He can only win through incredible circumstances."

Castro contends that "People are lulled into believing that the groundswell, the show of popular support will be enough to unseat Marcos. If we had been able to see the chances that she can win, we would have participated. Politically, you are confronting someone who has control of practically all provinces, 90% of the cities and municipalities and all barangays, with consolidated control over the military. Now that it is his position at stake, do you expect Mr. Marcos to play the role of a saint?"

BAYAN maintains that the United States is not at this time ready to eliminate Marcos. "Some people mistook the public distancing of the U.S. government as a concrete manifestation that they want to junk Marcos," says Castro. "We believe that the snap elections was not a U.S. initiative but a Marcos initiative which does not contradict U.S. policies and programs in the Philippines.... What the U.S. wants is a political stability within the Marcos rule and a peaceful transition to a post-Marcos era. This started during the '84 elections--the U.S. bargained for the Opposition seats in the Batasan."

Should Marcos win in the snap election, says Saguisag, "the seeds will be planted (for civil disobedience). How fast it will grow, no one can say." IN that event, adds Castro, "We definitely welcome (Cory Aquino) to join our protest movement...but not merely to protest election results."

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PAPER CITES ANG BAYAN ON POLLS, AQUINO

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 p 9

[Article: "What CCP/NPA Say About Elections: 'Boycott and Launch Military Operations'"]

[Text] If Marx were alive, he would die laughing.

Contrary to government propaganda, the National Democratic Front and its military arm, the New People's Army, are not trotting around in Aquino campaign paraphernalia and tying yellow ribbon to old oak trees.

In a densely-written memorandum to party cadres last year December 23, the Communist Party of the Philippines sounded the call to boycott the snap elections. Couched in the ideological jargon of readspeak, the memorandum instructed cadres to launch "popular military operations during the period of the snap election". The revolutionary boycotters were told to conduct "raids in camps and towns, militant vigilance and partisan operations in cities and large municipalities". The party, however, admonished its charges to "avoid such actions as ballot-snatching".

The red spectre of Communism has hovered over the campaign with expected vehemence. The President brands contender Corazon Aquino a power-hungry woman who "wants the best of both worlds"--revealing that Aquino fed and sheltered NPAs in her Tarlac hacienda and her Quezon City home. "Pinkos" and red advisers are her terra firma, he insists, at the same time airing testimonials by "reformed" NPAs on his television spots belittling Aquino's bid.

The December issue of Ang Bayan, the CPP newsletter, admits that Aquino's popularity has engendered a split even among those in the "antidictatorship movement": "Although convinced that a boycott is correct and conforms to principles and morality, many anti-fascists and progressives among the middle forces are worried that by boycotting they may be isolating themselves from the people. Because of this, a substantial number of them have opted for participation while the rest stand for boycott."

The fact that "many people, especially in the ranks of the middle forces in the urban areas, will be attracted to bourgeois reformism since this tries to peddle peaceful means for attaining change in society" is a "danger" that must

be handled correctly to prevent "cracks in the ranks of the open anti-dictatorship movement," the newsletter said.

The Party memorandum explained the primary objective of the boycott is exposing the snap election for the sham that it is. A secondary objective is "to expose the conservative bourgeois Opposition and bourgeois reformism".

Though the President pounced on Aquino's 50 unidentified economic advisers as "red", the CPP newsletter says otherwise. "She has among her closest advisers anti-Marcos but pro-imperialist big compradors based in the capitalist enclave that is Makati, and leaders of the ultra-conservative and clerico-fascist Opus Dei." Aquino's "comprador-landlord class background" contributes to her closeness to these advisers, the paper said.

Armed Forces Chief of Staff Gen. Fabian Ver, interviewed by a Cebu newspaper, announced that "all known Communist personalities who are with the Opposition standard bearer will be charged in court after the February 7 elections." The military, Ver said, was in the process of stocking up on evidence against Aquino's supporters and were monitoring and intensively documenting their activities. Ver later denied making the statements.

Aquino has not quite emerged unbruised by the red paint hurled at her by her rival. Pollsters from both the Opposition and the KBL reveal that Marcos is leading in the small villages where the NPAs are viewed with apprehension. With the rural vote holding the balance of votes (70%), the red-baiting may become a crucial factor to Aquino's victory.

The ten-page memorandum to party cadres outlined what they perceived to be Marcos' objectives in calling for snap elections; the U.S. stance on the election ("The goal of the U.S. is to give the reactionary Opposition the chance to share in the power and privilege...the U.S. aims to broaden the political base of the puppet regime. This way they have a better setting for a peaceful transition to a post-Marcos era."); the stance of the legal Opposition; the meaning of the snap election to the revolutionary movement; and the tactical position of the CPP.

The election, the memorandum said, is a good occasion to sharpen and raise the political understanding of the people and strengthen their support and participation in the revolutionary struggle.

The Party called for political consolidation and the strengthening of the organization in preparation for a post-election "wide spread anti-dictatorial protest and mass campaigns...and to face the coming local elections".

Meanwhile, anti-red rhetoric continues to fly fast and furious in both the Marcos and Aquino camps.

The President paints an odd political canvas of Aquino as a lady with a taste for Communism--paradoxically insisting that the Communists also killed her husband. Aquino inevitably takes the bait. "And who," she glowers in

tones that grow tougher as the hustings near, "has been attending Russian funerals and wooing Red China?" She adds: "Mr Marcos is the most successful recruiter of Communists."

And the First Lady, with classic aplomb, gives the weirdest twist to the debate: "The highest form of oligarchy is Communism."

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MORO FACTION LEADERS DISCUSS 'SHAM' ELECTIONS

Manila MR. & MS. (Special Edition) in English 7-13 Feb 86 p 11

[Article: "The MILF: 'We're Not Convinced of Marcos' Sham Elections'"]

[Text] Editor's Note: On his way to investigate a mass evacuation report in seven barangays around Lake Buluan, Maguindanao last January 24, Leonard Legarda of the Task Force Detainee News/Documentation Desk in Cotabato City, stumbled into a "safe" house for Moro Islamic Liberation Front (MILF) Field Commander Roy for Zone 6 and Mindanao political officer for education Habbie Ansari (both code names). Following is his conversation with the two MILF leaders.

QUESTION: What is the stand of the MILF on the snap election?

ANSWER: Islam does not have election. Nor are we convinced of Marcos' sham election and plebiscite/referendum shows. The organization may encourage the Moro masses to boycott this snap polls. We still respect people's right of suffrage. The participation of our legal counsel, Atty. Zacarias Canado, is a personal initiative which does not affect the organization. At this moment, there is still no order about this matter from the Central Committee.

Q: What are your plans during election?

A: In controlled areas, people will be left to themselves. In uncontrolled areas, special military operations will be launched.

Q: After election, what are your plans?

A: Election or not, our revolutionary activities are the responsibility of everyone. Therefore, the usual revolutionary tasks will be intensified in preparation for the popular offensive.

Q: What are the repercussions to the revolutionary activities if Marcos wins, or Aquino wins?

A: If Marcos wins, the organizational expansion and conscientization would be triple. He has already created so much misery for our people. And if Aquino wins, I think it would also be triple or more. The Moro masses now have a sense of direction.

Q: Is the MILF an alliance or Moro organizations or something else?

A: MILF is a political party of the Moro people. It is not an alliance.

Q: What is the MILF ideology?

A: The organization's ideology is Islamic. It is based on the Qur'an (Muslim Bible) and Hadith (teaching of prophet Mohammad). However, ours is not the same as Khomeini of Iran or other Muslim countries. We have contextualized the Islamic ideology suited to the Moro culture and heritage. Say, social stratification, the Datu system. It is respected in a given time. But everything which affects Islamic doctrine should undergo an Islamic cultural revolution.

Q: How do you reconcile faith and revolution?

A: Revolution means change. This change occurs when something has gone wrong in the structural aspect of the society. This means, when oppression and exploitation exist through institutionalized policies of the society, this must be transformed into a just and harmonious society. Qur'an says that there is oppression and exploitation, declaring a Jihad (war in the way of Allah) is justified. Islam is against any form of injustice. Thus, our faith in Allah (God) is itself a commitment to fight against the forces who created structural injustices.

Q: What is your method of politicizing the Moro masses?

A: If Communism has Marx's method of analyzing society, the Moro has prophet MOhammad. We analyze society through the experiences of prophet Mohammad during his time. There is only one basic premise, the existence of oppression and exploitation or injustice came about because of a defective system. We substantiate this with the teachings of Qur'an and our historical background.

Q: You said, your struggle is directed against the forces of injustice, does this mean the so-called feud between the Moros and Christians is not real?

A: Our struggle is directed toward ending oppression and exploitation that has terribly afflicted the poor and the powerless. In fact, Christian-Moro antagonism is the regime's strategy.... We would like to clarify this, we are not against Christians but fighting against the government that has institutionalized a repressive system and facilitated our misery in the homeland.

Q: What is the relationship or difference between MILF and the Moro National Liberation Front (MNLF)?

A: MILF and MNLF are one and the same. MILF is a change of name from MNLF. This is a political strategy to gain the support of the Islamic Conference, an assembly of 40 Islamic countries. With MILF, the clear Islamic line is defined. Besides, almost all MNLF freedom fighters are now MILF. Take Field

Commander Roy, he was an MNLF fighter in the 70s, now a Mujahreeden (Ideologically of Islamic doctrine, well-trained freedom fighter and deeply politicized) of MILF revolutionary army.

Q: You call yourselves Moro not Filipino. Why?

A: Our citizenship is Moro not Filipino. Historically, the Moro people were independent. The Filipino as name was an imposition by the colonizer, the Spaniard. So, therefore, to fight against colonization, even the colonizer's names must not be honored. We call ourselves Moro, our purely indigenous name.

Q: Do you have a time table for popular insurrection?

A: We have a time frame, Our activities are planned. Last year, the organizational directive from the Planning Committee were: Stand-by military offensives except on grave cases as what is happening now in Lake Buluan area where we are obliged to defend our masses against the returnees, massive political education, rigid military trainings and sectoral consolidation of legal organizations and individuals, as, student, professional, labor, women, non-Muslims (Christian and tribal Filipinos) and individuals in the AFP. Popular insurrection is at the discretion of the Central Planning Committee.

Q: How do you help the New People's Army in waging national liberation?

A: We recognize and respect the People's Democratic Revolution being waged by the NPA against local oppression and neo-colonialism.

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LEFTIST WEEKLY VIEWS BAYAN POST-ELECTION STRATEGY

Quezon City WE FORUM in English 11-17 Feb 86 p 7

[Article by Annabelle Cueva Clutario: "Bayan Set To Go All Out After Poll"]

[Text] The recent electoral exercise has not meant the end of militant cause-oriented politics after all. Now that the elections are over, and with a probable Marcos win as could be gleaned from initial returns by the Comelec, it is expected that the so-called "street parliamentarians" mainly represented by the Bangong Alyansang Makabayan (BAYAN) will once again seize the political initiative after more than two months in the doldrums following the announcement of snap elections.

As it is, BAYAN is girding for massive protest actions all over the country in anticipation of the widespread fraud and terror used by the ruling party to ensure another Marcos victory at the polls. During the campaign proper, BAYAN has consistently advocated a boycott call on the grounds that the elections were rigged and Mrs Aquino does not have a fair chance of beating Marcos at the polls. It has also criticized Mrs Aquino's stand on a number of issues, including that on the US bases and land reform.

But BAYAN has also been rocked by a number of resignations by prominent leaders of the organization who opted for participation in the polls and campaigned for Mrs Aquino. Former senator Lorenzo Tanada, its chairman, and former Manila Times publisher Chino Roces both went on leave for such reasons. And so did its president, former senator Ambrosio Padilla and another well-known member, Dr. Frank Arcellana who in fact decided to tender their resignation when BAYAN opted to boycott the elections.

Nevertheless, BAYAN leaders expect to return to the political arena immediately after the elections when the results would have redeemed its boycott stance. "Our immediate plan is to be able to harness and provide directions and leadership to the protest movement that is sure to come about after the elections," says G. V. Bautista. "We expect a groundswell of protest which will follow the cheating." And whether all (of the other opposition forces) like it or not, it's going to happen."

Asked whether such a move would appear awkward after its boycott call, and considering that the right to post-election protests should belong to those who participated in it, Bautista answered: "No, not at all.... All of (us)

don't have to be burned so that together (we) will rise up. Precisely the reason we opted to boycott is to be able to project a statement of principle to be able to convince the majority of the people. But we held on, such that after the people would have seen the actual outcome (of the elections) and they would have been disillusioned by the experience of cheating and terror which we have been saying all along, they will probably get out of the slump of the hysteria created by the personality-oriented electoral contest. They will begin to seek the best option and the movement which provided the most accurate analysis or at least one that approximates reality, and they will now look up to such a movement for guidance and leadership."

Still, Bautista admits that it will not be that easy for BAYAN. For one, it remains uncertain whether Tanada, Roces, Padilla and Arcellana would go back to the militant fold. This is especially true in the case of those who formally resigned from BAYAN. "Maybe it might be wise to let the dust settle first, before opening up discussions again," says Bautista. With respect to Tanada and Roces, however, communications have reportedly been going on even during the campaign period and Bautista assures that they have been responding very positively.

The same goes for the others outside BAYAN, although its leaders have yet to formally sit down with all the leaders of the camp of Mrs. Aquino. "We will not wait for another anti-dictatorship forces to approach BAYAN. We will in a very aggressive way seek them out and once again consolidate forces to present a unified front," vows Bautista. However, he adds: "Some of them are ideologically incompatible with the forces of the militant groups. They are more interested in replacing Marcos but perpetuating a US-backed dictatorship--in other words, perpetuating a neo-colonial blueprint for Philippine society. If only for this, BAYAN leaders will not bank on the unification of all anti-Marcos groups. It might not even be necessary. The unity of the military forces, the progressive and patriotic forces, and the sincere groups among the electoral opposition will be sufficient to provide a sufficient front against the regime."

BAYAN leaders foresee a scenario after the elections wherein the US validates the Marcos regime's claims to victory at the polls, and then the latter tries to go on the political offensive. "People will start again choosing their options after the elections," predicts Bautista. "If there is violence here, much of that would come from the regime in the form of terrorism and repression. If people respond with violence, it is only because they have experienced violence and they would most likely call for sobriety and national reconciliation while a certain segment of the electoral opposition would also go along this line. If they do that, then they run the risk of abandoning leadership of the protest movement.

"But whatever, BAYAN will try to handle the outburst of mass political energy after the elections in a 'most constructive manner.' Any outburst of mass political energy by the people is a legitimate expression of their political sentiment at this point," explains Bautista. However, he elaborates that "each move by a mass movement must be calculated and deliberate. We cannot afford to waste away lives and risk the life and security of people where such is not necessary."

"After February 7 when people start looking for options, then BAYAN will be there so that we can present a more viable, a more logical and a more effective option as against the two extremes of reformism by the moderates and anarchism by the political forces who are prone to terror tactics," concludes Bautista.

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WE FORUM VIEWS HUMAN RIGHTS AS 'ANTI-IMPERIALIST' ISSUE

Quezon City WE FORUM in English 11-17 Feb 86 pp 6, 12

[News analysis by Eli Angeles: "Human Rights in Capitalist Society"]

[Text] It is good a time as any for reflecting on human rights as an issue, and inevitably as a concept.

Human rights as an issue tends to connote or be limited to military abuses, specifically political detention, torture, disappearances, "salvagings", hamletting, etc. In short, anti-fascist.

Actually, human rights are much broader. A good framework for viewing human rights is that of the country's premier human rights advocate Jose W. Diokno in his "Human Rights Make Man Human." Diokno proposes this frame work of basic human rights:

1. Rights of Man or Individual Rights of Man

- A. Right to Life
- B. Right to Dignity
- C. Right to Develop

xxx analogous or parallel to which are--

II. Rights of the People or Collective Rights of Man

- A. Right to Survival
- B. Right to Self-Determination
- C. Right to Development

All the rights of man and all the rights of the people stem from the three basic human rights--to life, to dignity and to develop.

For Diokno, the foregoing framework is more useful than the one of the United Nations that divides human rights into two broad kinds:

1. civil and political rights
2. economic, social and cultural rights.

Dante C. Simbulan, in his "The Struggle for Human Rights in Asia," posits an even broader framework for four dimensions:

1. individual rights
2. rights of a group or association
3. rights of a nation, or rights of peoples
4. rights of humanity

Incidentally, the new-organized Families of Victims of Involuntary Disappearances (FIND) is supporting the move in the UN to declare the practice of disappearances as a crime against humanity.

Simbulan's point is that human rights must be understood in the context of particular settings and circumstances, of the forces at play in the area. While in the West, the emphasis is on individual rights; in the Asian setting, as well as in the rest of the Third World, the emphasis is on people's rights.

Similarly, Renato Constantino in his "Nationalism and Southeast Asia" says that "The question of human rights, that is, the violation of civil rights should be placed within a larger perspective."

There are two aspects to the question--the external or national and the internal or individual. xxx The internal aspect cannot be dealt with separately from the external aspect of national oppression. Discussion on the subject of human rights becomes meaningless unless there is realization that the fundamental human right of independence and freedom of the people from colonial or neo-colonial domination has not yet been attained. Violations of civil liberties and physical violence against citizens by agents of the state should be condemned but they should not constitute the principal focus of protest while the larger question of the people's right to self-determination has not been settled. xxx

xxx

xxx If groups concerned solely with human rights are encouraged and even funded by external forces, the attention of the oppressed people can be focused on this painful, important but untilaterally peripheral issue and diverted from the principal source of their major problems (including human rights)--the foreign control of their economy. xxx

In other words, while human rights as an issue is essentially and mainly anti-fascist, it must also be anti-imperialist.

However, the characterization of the issue as "ultimately peripheral" is unfortunate on several counts:

1. It gives the impression of a low regard for the inalienable dignity of the human person.
2. Fascism is an expression of the basic problem of bureaucrat-capitalism. Corollarily, the upholding of the democratic rights of the broad masses of the people is a sub-aspect of the democratic aspect of the struggle.
3. Painful physical violence against citizens can become an obstacle to the accelerated development of the nationalist movement.

In fine, the democratic aspect of the struggle cannot for too long a time lag behind the national aspect, and vice-versa.

Not only does the human rights as an issue tend to connote or be limited to military abuses. But it also can be double-bladed; i.e., it can work for or against either side of the struggle.

Take the most basic human right to life, which has been the subject of several issuances of the Catholic national leadership in recent times. In July 1984, there were Cardinal Sin's circular "Our National Reverence for Life" and the CBCP's Joint Pastoral Letter on the Sacredness of Human Life" and its Defenses entitled "Let There Be Life". In July 1985, there was the CBCP's "A Message to the People of God" which stated, among others:

We forthrightly call this wave of inhumanity as terrorism. We refer to various acts inimical to persons and designed to terminate dissenting opinion, impose control, or implied application of blatant power for one cause or another. By whatever name it is called, salvaging or liquidation, xxx the increasing use of force to dominate people is a frightening reality which pastors cannot ignore.

xxx

We denounce the execution of civilians suspected as subversives by the Right, or as informers and "enemies of the people" by the Left, especially by the NPA. We believe that neither the cause of national security nor that of "national liberation" can justify such blatant violation of the right to life, so cold-bloodedly terminated, oftentimes on the basis of mere suspicion.

However, the cause of national liberation is also founded on a human right--the people's inherent right of revolution or collective self-defense, which is starting to be voiced of late by the cause-oriented sector, undoubtedly as a result of escalated (as in Escalante) state repression and terrorism.

Revolution or revolutionary war is also subject to the generally accepted rules of war.

Revolution brings to mind the proletariat, in whom class leadership of the revolution is reposed, according to Marxist-Leninist theory. And the

proletariat's fundamental slogan is not human rights but abolition of classes. This was one point in "Notes on the Human Rights Question" (Beijing Review, November 29, 1979) published at the height of Carter's use of human rights as a weapon in contemporary international political struggle. What follows (7 paragraphs) is from said "Notes".

Historically, the slogan of human rights was first raised by the bourgeoisie. It was a powerful ideological weapon of the rising bourgeoisie in its revolution against feudalism. It became their main slogan and the basic content of the bourgeois political program.

Human rights as advocated by the bourgeoisie are universal only in form, as it is claimed that they are meant for all men. But in essence they cannot involve all men. They are only the rights of the bourgeoisie in the capitalist society.

"Human rights" is also a slogan with which imperialism and the bourgeoisie attack the socialist system. They attack socialist countries as granting no human rights to its people.

The historical mission of the proletariat is to eliminate the system of exploitation of man by man and completely emancipate mankind. In their Manifesto of the Communist Party, Marx and Engels made a profound exposition of this idea, pointing out: "The theory of the Communists may be summed up in the single sentence: Abolition of private property."

Then should the proletariat not raise the slogan of human rights at all? Certainly not. The principle of human rights (such as liberty and equality) put forth by the bourgeoisie is, to the proletariat, essentially hypocritical. The proletariat should make use of this principle to demand that the bourgeoisie itself put it into practice. In this way, the proletariat can use the slogan as a weapon against the bourgeoisie.

However, it must be made clear that rights like liberty and equality are after all, as Engels put it, "purely democratic demands," and the proletariat cannot restrict itself to such slogans and demands. It should put forth its own, even higher demand and goal, that is, the realization of socialism and communism. Any rights of man, liberty and equality included, can only be something deceptive if they deviate from this end.

In leading the democratic revolution, the Chinese Communist Party raised the slogan of human rights. It did this in order to mobilize the people against imperialism and feudalism. It is a concrete democratic policy (mainly for protecting freedom of the person). However, even in the period of the democratic revolution, "human rights" was not the major slogan of the CCP.

Now going to the context of the present Philippine struggle, it is interesting to note that this struggle has been characterized as "bourgeois democratic".

xxx It is a democratic revolution against imperialism, feudalism and bureaucrat-capitalism and not a proletarian revolution to supplant capitalism with

socialism. It is a new-type bourgeois democratic revolution because being under the leadership of the revolutionary proletariat, it has a clear socialist perspective.

xxx It follows that what it will establish will not be a proletarian government but a democratic coalition government of all anti-imperialist and anti-feudal forces. While it would not be a proletarian state, it would not be a bourgeois state either since it will be ruled jointly by the democratic classes and strata.

Thus, the slogan of human rights is raised but it is not the major slogan. What is currently the central or banner slogan, corresponding to the stage of the struggle, is of course "Dismantle the US-Marcos Dictatorship and Establish a Democratic Coalition Government"--a slogan that is revolutionary if only in the sense that it is the fulfillment of the people's demand for national liberation and democracy.

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PHILIPPINES

'ALTERNATIVE' WEEKLY SEES DECLINE IN 'CRONY' PRESS

Quezon City WE FORUM in English 11-17 Feb 86 p 16

[Text] You could see it in the streets, if you look closely. You could hear it in your bedroom, if you listen hard.

Look at the newsstands, notice the newsboys call out their wares or display them. Since the snap election became top news, this change has become noticeable: the so-called "crony" papers have stayed longer in the newsboys' arms, gathered more dust on the sidewalk.

The change in newspaper preference, it seems, became more pronounced as the electoral campaign hit the road and eclipsed all other news above the newspaper fold. A source in the profession says confidential reports in top management rooms on the so-called mainstream press row have charted a circulation downtrend.

It's gotten so, according to one veteran newsman who takes the buses and jeepneys to work every day, that at 2 p.m., newsboys still sell the so-called "crony" newspapers on the streets.

Have the crony press become one more loser in the credibility game? This is a question being asked, not only in the so-called alternative press circles but also among some members of the staff of so-called crony newspapers, according to observers.

Only recently, the editor and top staffers of PANORAMA, the Sunday magazine of the Bulletin Today, quit to join the reborn Manila Times. The editor left because she said she could not stand the censorship.

The key men in the circulation battle, the newspaper dealers, attest to the phenomenon that is Malaya. They would order more copies for Metro Manila distribution long after the presses of the competition had stopped for the day.

But the real story is not in the print orders but in the number of copies returned, meaning not sold. Malaya's rate of returns is something that the fat cats of newspapers will envy. So why doesn't Malaya reveal its true circulation? That's a different story.

With each new development in the alternative press' ambit of coverage, their circulation climbed steadily. Those of the mainstream newspapers, at the same time, were going in the opposite direction. Informants said one major daily was experiencing returns that went as high as 90,000 copies in one day.

Actually, the talk in the trade was that the other two had long ago squandered most of the patronage that martial law awarded them in what was supposed to be a thoroughgoing media reform. Observers wondered whether the report drive in their circulation was a result of almost identical treatment of news favorable to Malacanang.

If WE FORUM informants are correct, readers are breaking a morning habit in increasing numbers and going for the headlines and stories that the alternative press offered.

Informants say it would not be farfetched to speculate that the three so-called majors would not have a combined circulation of more than 300,000 nationwide. How big a role, then, did they play in Mr. Marcos' cause?

Observers note that the two major English tabloids erected their circulations on crime, sex and violence. During the campaign, the two switched headline emphasis to help boost the President's line. These observers noted a similar decline in their circulation when they did that.

Perhaps a study should be conducted on how the Marcos regime's credibility rating affected the credibility ratings of the establishment papers. Have they also become victims of the electoral exercise? Will the so-called alternative press fill the credibility gap?

A survey conducted by the University of the Philippines masscom institute showed, among others, that of all the daily newspapers, only Malaya showed an almost 50-50 balance in its coverage of the Unido and KBL.

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CSO: 4200/770

PHILIPPINES

MARCOS-LINKED PUBLICATIONS SUFFER PLUNGING SALES

OW050621 Tokyo KYODO in English 0458 GMT 5 Mar 86

[By Mike Alunan]

[Text] Manila, March 5, KYODO--Some of the publications identified with the government of deposed President Ferdinand Marcos may soon fold up in the face of plunging sales.

They suffered from a massive boycott prior to the February 7 snap polls which sent opposition papers' circulation figures soaring.

The TIMES JOURNAL group of publications, owned by Benjamin "Kokoy" Romualdez, a brother of Imelda Marcos, is expected to close in 2 weeks with about 400 million pesos in debts to various institutions including the Development Bank of the Philippines (DBP) and the Paper Industries Corp of the Philippines (PICOP).

Three daily publications under the TIMES JOURNAL (TJ) group--the SUN TIMES, the MAKATI BUSINESS DAILY and the CHINA TOWN NEWS (printed in Chinese) with circulations of about 15,000 copies each--went out of business in late February.

About 700 workers and employees would be affected by TJ's closure.

Among the TJ publications that would disappear with the company's shutdown are the people's journal, believed to be the largest in the tabloid market, peoples tonight, the WOMEN'S JOURNAL and TALIBA (a daily Filipino paper).

DBP could soon foreclose on TJ property, now that publisher Romualdez has fled the country to join Marcos in political asylum in the United States.

Jose Burgos Jr., publisher of the PAHAYAGANG MALAYA (FREE PRESS) which now has a daily circulation of about 300,000, has reportedly offered to buy TJ.

Max Solliven, publisher of the PHILIPPINE DAILY INQUIRER, another opposition paper which has shot up to over 300,000 in circulation in 3 months since it started, is also reportedly interested in taking over the journal's printing press.

Eugenio Lopes, whose five TV stations and some 15 radio stations were confiscated by Marcos after the declaration of martial law on September 21, 1972, is also back from exile to regain ownership of TJ's printing machines.

Meanwhile the DAILY EXPRESS, which was once the top paper with a circulation of over 300,000 at the onset of martial law has now dwindled to about 30,000 despite its appealing print colors and layouts.

Its main owner, Roberto S. Benedicto, former ambassador to Japan and the U.S. and another Marcos crony who monopolized the sugar industry until its downfall, is reportedly still in town.

Staffers have been handed a circular saying that the EXPRESS "will remain to be an independent paper. It will be critical and will only praise when it needs to."

However, about 500 employees still fear layoffs as the paper is now increasingly being edged out of the market.

Another publication group on the brink of closure is the EVENING POST, which also produces the DAILY METRO MANILA TIMES, the MINDANAO JOURNAL, FOCUS MAGAZINE and other small publications.

Its owner-publisher is Kerima Politan, estranged wife of Presidential Executive Assistant Juan C. Tuvera, who has reportedly fled the country with Marcos. Tuvera's Orient Media Services Co, which owns all these publications, is now reportedly debt-ridden with unpaid loans from the Philippine National Bank (PNB) and PICOP.

Both the EVENING POST and the METRO MANILA TIMES, a morning paper, have been marginalized with the entry of the opposition papers since the assassination of Benigno "Ninoy" Aquino.

Also badly hit by the boycott is BULLETIN TODAY and its sister publication, TEMPO, which are owned by Emilio Yap, Menzi Foundation, the Marcos family and crony Eduardo Cojuangco Jr, the latter two under the dummy corporations led by Trans-Orient Corp.

From a peak of about 310,000 in circulation with 42 to 46 ad-filled pages, the bulletin has plummeted in circulation to slightly over 200,000 with only about 20 pages as advertisers have shifted to the opposition papers.

The crony publications, particularly the TIMES JOURNAL, BULLETIN TODAY and the DAILY EXPRESS, all started at the height of the martial law period and functioned mainly as propaganda arms of the Marcos government.

Coverage was limited to good news or to accomplishments of the government. Stories on the Moro National Liberation Front (MNLF) and New People's Army (NPA) offensives and clashes with government troops, or even about workers' strikes or student boycotts, never saw print. Neither did items about military abuses, human rights violations and government anomalies.

Toward the late 70's and early 80's, however, internal developments in Philippine politics along with the external pressures brought about by U.S. President Jimmy Carter's foreign policy on human rights pushed Marcos to adopt a belated normalization scheme which resulted in the so-called "face-lifting" of martial law on January 6, 1981.

This encouraged reporters to come out more daringly by exposing and opposing government activity, but outspoken journalists started disappearing or being gunned down or silenced by threats from the military, henchmen of Marcos' cronies, or local warlords in the provinces.

As of January 1, 1986, 26 reporters had been killed since 1979, half of them in 1985 alone.

This limited liberalization backfired on the Marcos government, as the press started exposing issues and anomalies. WE FORUM, published by Malaya's big boss Jose Burgos Jr, was padlocked in 1983 for exposing Marcos' fake war medals, and its staff members were arrested.

The late Hans Menzi, a Marcos crony who owned the bulletin TODAY, also folded up his WHO magazine, which went so far as to carry critical articles written by Marxist intellectuals from the University of the Philippines (UP), all in the guise of press freedom. Nonetheless, the impact of these so-called opposition papers was still insignificant as the government managed to limit their circulation.

"Xerox journalism" suddenly flourished as the public's thirst for news and hard facts created a market for photo-copied extracts from publications from abroad critical of the government. Stories of the first lady's shopping sprees and penchant for a regal lifestyle were copied and passed on.

In the aftermath of the Aquino assassination, independent papers like the BUSINESS DAY shot up in circulation, prestige and credibility.

Also in 1983, Joe Burgos' MALAYA was set up as a weekly paper, which later grew into a daily with three editions and two sister publications--WE FORUM and ANG MASA (THE PEOPLE).

In late 1985, the PHILIPPINE INQUIRER was established, followed by the MANILA TIMES in early February of this year. Both are now enjoying increasing patronage from readers.

The Philippine dailies may be dwarfed in circulations by publications in other countries, but each copy is read by about 10 people.

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PHILIPPINES

WEEKLY ANALYZES BISHOPS' POST-ELECTION STATEMENT

Manila MR. & MS. (Special Edition) in English 21-27 Feb 86 pp 6-8

[Article by Ma. Ceres P. Doyo: "Like the Wrath of God"]

[Text] Finally things snapped. Out of the silent halls of the Catholic Church, the voice of the hierarchy crackled. The post-election statement of the Catholic Bishops' Conference of the Philippines (CBCP) came down like the wrath of God.

Valentine's Day 1986 would be long remembered as the day the bishops came out to condemn a political exercise. Lifting up their hemlines, they at last waded into muddy waters to cross the moat and lay siege on an impenetrable fortress.

The statement was, by far, the most scathing and the most pointed ever released by the CBCP. It outdid all previous pastoral letters, statements and exhortations and although nowhere in the statement was it mentioned who was guilty in the elections described by them as "unparalleled in the fraudulence of their conduct" there was no mistaking who the bishops meant. As former hostage Bishop Federico Escaler, S.J. of the Ipip Prelature (Zamboanga del Sur) unabashedly exclaimed: "Marcos will be boiling mad!" Not unlike the wrath of gods.

Scoring the systematic disenfranchisement of voters, the widespread and massive vote-buying, the deliberate tampering with the election returns, intimidation, harassment, terrorism and murder, the bishops took issue with "a government in possession of power". Signed by Ricardo Cardinal Vidal, archbishop of Cebu and president of the CBCP, the statement said: "If such a government does not of itself freely correct the evil it has inflicted on the people then it is our serious moral obligation as a people to make it do so."

"We are morally certain that the people's real will for change has been manifested," says Bishop Teodorico Bacani. Bishop Francisco Claver says: "The mandate for change is very clear. You make up your mind what that change means."

Although the bishops did not go into specifics on the action to be taken, they prescribed "active resistance of evil by peaceful means--in the manner of Christ."

Their call would later see shape in Ms. Corazon Aquino's seven-point program of civil disobedience laid out at the "Tagumpay ng Bayan" rally in Luneta where she called for a boycott of the crony banks, media, corporations and delay of payments to the government. The bishops' presence at the rally lent legitimacy to Mrs. Aquino's claim to victory in the elections.

They've come a long way, the monsignores.

When martial law was imposed in 1972, there was nary a whimper of protest from the CBCP. The silence sent shivers down the rank-and-file working up front. As was expected, not a few militant church people found themselves either arrested, detained, tortured, killed or deported.

But the hierarchy circa 1972 was not totally silent. It in fact spoke, and subtly if not openly, endorsed Marcos' New Society. In the book Church-State Relations, Professors Mario Bolasco and Rolando Yu describe how it was then:

"One week after the declaration, the administrative council of the CBCP came out with a letter, approved by President Marcos, addressing the faithful with a few words of encouragement and guidance. The Council, then presided by Archbishop (Teopisto) Alberto wrote: '...On the other hand, the Bishops of the Philippines recognize the right and duty of civil authorities to take appropriate steps to protect the sovereignty of the state and to ensure the peace and prosperity of the nation within the law.'"

"With good ground the media interpreted this as an endorsement of martial law. Rufino Cardinal Santos, proceeding from these same premises, came out with a statement...which added grist to the mill of the martial law press. (A Times Journal) article lengthily quotes the Cardinal saying: 'The establishment of a new society in our beloved country as envisioned by the imposition of martial law should be hailed and welcomed by every peace-loving citizen.'"

If the Church--the People of God--did not find a fighting voice in its leaders then, it found a dissenting voice in the "lower echelon". Acting independently, nine major religious superiors and 17 "recalcitrant" bishops came out with strong but polite requests that Marcos shorten martial rule, that those detained be fairly dealt with in the courts, that the innocent be released immediately and that freedom of speech and the mass media be restored.

Shortly thereafter, the Association of Major Religious Superiors of the Philippines (AMRSP) which forms the leadership of some 13,000 religious, sent a letter to the President expressing apprehension that "the sudden promulgation of new laws as well as their uneven application can create a general climate of uncertainty which will in turn generate confusion and fear". They also set up the Task Force Detainees (TFD) which till today remains steadfast and active in human rights work. TFD's present head, Sister Mariani Dimaranan was one of the first religious to be thrown into jail.

"We have to point out that the Church was (therefore) not totally remiss in the pursuance of its mission," Bolasco and Yu note. "It was the largest

surviving institution (congress having been disbanded) that was capable of raising a voice against the vagaries of martial law. And it did raise a word of caution calling on civil authorities for prudence and restraint."

At that time hardly anyone among the church leaders knew the woman named Corazon Aquino.

The late 70s and the 80s saw the Church with some of its ranking officials, together with the active rank-and-file on one hand and government forces on the other, "invading" each other's turf, with the former doing it on moral and theological grounds (liberation theology was in vogue) and the latter invoking so-called national security. Every so-often, the issue of "separation of Church and State" was raised, if not the polarization of Church and State.

For the Catholic and Protestant Churches alike the price was high--in recent years five murdered clerics and several missing, many nuns and priests arrested, several institutions raided and many church workers outrightly killed. Still, there were those who, not quite satisfied with the Church's sometimes uneasy stance and slow pace, bolted out of church comforts to either go underground or take to the hills to pursue armed resistance. Indeed, the Church pays dearly for what it does and does not do.

It cannot be discounted that the Church is high on the military's agenda. With the increasing radicalization of the Church's ranks, the military was kept busy not only with their intelligence operations but with propaganda as well. Not a few in the Church leadership have succumbed, rightly or wrongly, to the Communist bogey and sought to clear the ranks of what they though smelled red. There was a setback in social action programs, polarization within deepened. A horizontal and vertical wedge cut across the powerful Church, leaving many a believer frightened and confused.

In the meantime, many in the rank-and-file continued their conscientization work. Basic Christian Communities flourished and non-mandated church organizations, composed mainly of religious continued to sprout. A step ahead of their leaders, militant priests and religious sped on with their grassroots ministries. They joined workers, squatters, farmers and tribals, living a life style they have never experienced before.

In the meantime too, government leaders lost no time in trying to coopt Church leaders, openly or otherwise. They tried to endear themselves to church dignitaries. Cebu's late Julio Cardinal Rosales of the opulent life style was a known admirer of Imelda Marcos and vice-versa. The Marcoses sought the company of holy personages. In 1977, husband-and-wife team personally welcomed and helped Mother Teresa of Calcutta set up shop in the slums of Tondo. They gamely frolicked and sparred with Jaime Cardinal Sin's "critical collaboration" stance. Imelda continuously dogged Pope John Paul II's trail during the latter's visit in 1981. She often flew to Rome to seek the Pontiff's audience and last year, she, along with a coterie of hangers-on, unashamedly presided over preparations for the installation in the Vatican of the new Cardinal of Cebu who fortunately turned out to be quite different from his predecessors. The

Marcoses even got the blessings of the Maharishi group and American evangelist Jerry Falwell.

Maybe this worked. Silently, a few barefoot bishops continued waging a lonely war against injustice and human rights violations in the countryside. Like Bishop Miguel Purugganan, for example who declared a black Christmas a few years back by suspending midnight masses in Isabela to protest injustice done to ANCA farmers. Away from the glare of media, several like him doggedly go on and get press coverage only when their houses get raided by the military or when their priests are arrested.

If the powerful CBCP appears inscrutable, it is because of its members' varied and divergent views on issues. They are exposed to different realities. Levels of awareness differ. Members act independently of each other. As Bishop Escaler says, "This is one of our strengths, but this is also one of our weaknesses."

Since the time the CBCP acquired juridical status in 1968 (it has existed since 1945 as the Catholic Welfare Organization) it has come out with more than 30 documents, more than half of which are pastoral letters.

As gauged from the documents they have issued, Dr. Richard Hardy who compiled and studied these documents, concluded that the CBCP has been functioning with two models of spirituality: the eschatological model (or heavenly) and the incarnational model. Says he: "For the most part, it is the eschatological model which has held sway since this is the one that most bishops are familiar with. It is also the one in our opinion which has continued (and perhaps even caused) the split level of Christianity of Filipinos. Being one which is versed totally on the idea of spiritual life being a life of the spirit, non-material life, it is the one which is almost completely unsuitable to the Filipino who is so rooted sa lupa, who has such a marvelous natural Asian quality of knowing that somehow the Transcendent lives in this life, in this world which He has created. The incarnational model takes this world seriously and this is one which the Filipino can appreciate and identify with for it is totally open to inculturation.

"The very situation of the Philippines particularly in the last decade and most particularly in the last three years has forced the CBCP to truly come to grips with the context of inculturation. This has meant a more interested look at the incarnational model of spirituality."

The CBCP started issuing documents which had bearings on the political situation as early as 1970 (on the Constitutional Convention) but such types were far between. In 1975 the bishops came out with a statement on the referendum and in 1979 against violence.

In February 1983, the pastoral letter "Dialogue for Peace" addressed pressing issues--arrests and detentions, poverty, the economic crisis, multinational corporations and even lavish film festivals. They also came up with a "Message to the People of God" which tackled the dreaded Presidential Commitment Order (PCO), only to find the rug pulled from under their feet when Marcos

delivered a well-timed coup de grace by abolishing the PCO two days before the reading of the letter in parishes, and in its stead Marcos came up with the equally dreaded Preventive Detention Action (PDA).

The 1984 letter "Let There be Life" tackled secret marshalls, Amendment 6 and the economic crisis. In the wake of the Aquino assassination, when the country teetered on the brink of chaos, the CBCP issued a statement on reconciliation, a word so conveniently used by those in power. But as the CBCP has perhaps by now realized, reconciliation between oppressor and oppressed remains an elusive shepherd's dream.

Prior to the February snap elections the CBCP released an exhortation "We Must Obey God Rather Than Men" calling on the faithful "not (to) passively surrender to the forces of evil and allow them to unilaterally determine the conduct and results of these elections." Cardinal Sin and the auxiliary bishops of Manila wrote one last December while Cardinal Vidal also issued one for his diocese. Several other bishops issued letters for their respective dioceses.

Coming out with the post election statement was not all that easy. As Bishop Antonio Fortich of Bacolod said during the first day of deliberations: "It is 90 degrees Fahrenheit." Closeted for one and half day at the CBCP complex in Intramuros, several times retreating in silence to pray and discern, the 66 bishops (of the more than 100, several of whom are retired) divided themselves into groups and presented their reports on the elections. NAMFREL's Jose Doncepcion, Vicente Jayme and Jose Feria also came to give reports. Not to be outdone, Imelda Marcos did a Nicodemus and came in the dead of night to reportedly convince the bishops not to come out with the statement. Ms. Aquino came too, two hours before the bishops' press conference to "assure Cardinal Midal of my non-violent course of action."

Outside the CBCP gates, around a hundred people picketed to show displeasure. Some of them did not know why they were picketing. Last Sunday there were "staged" walkouts in churches while the letter was being read. The government TV crew was not far behind to shoot. Labor Minister Blas Ople would later take issue with the bishops while COMELEC Chairman Victorino Savellano would stop going to church even as the Pope expressed confidence in the bishops' judgments. One thing was sure though--no one walked out of the CBCP conference contrary to what Marcos would later say at a press conference.

The handful of objecting bishops might not have had the statement read last Sunday, Escaler says. Still some bishops might supplement it with one of their own. "The statement is open-ended," he adds. When asked what he thought would be the repercussion on the Church, he says, "We could be accused of opening the doors to the Communists or that we are abetting a revolution. But with the new leadership in the CBCP there will be more of this (statement)."

There were two drafts to choose from. The bishops voted for the stronger one. Among the members of the drafting committee were Bishops Francisco Claver and Teodorico Bacani.

According to Escaler, four theologians helped in the drafting of the statement: They were Frs. Antonio Lambino and Pedro de Achutegui, both Jesuits, Fr. Fausto Gomez, of the Dominicans and Fr. Miranda of the SVDs. The Vatican of course was in the scene. Agostino Cardinal Casaroli, Vatican Secretary of State sent some guidelines which according to Escaler were more or less followed. Says he: "We were like tiptoeing on a tightrope. We had to be overcautious. But we cannot be overcautious at this time." He said he was going to have the letter translated into Visayan for his diocese.

While many bishops emerged from the conference beaming with satisfaction there were a few who reportedly abstained from voting for the letter. "Don't ask me the names," says Escaler. "But there were three or four who kept putting up objections similar to the three or four who were entirely against. But it was all done in an open spirit. We said, look, you're not telling us we're liars but that is how we perceive the situation--there is enough basis. We were practically unanimous."

Bishop Julio X. Labayen of the Infanta Prelature says: "I don't think you can talk about unanimity in any bishop's conference today, but I can honestly--and there is no ground for any person to take exception--that the election was fraudulent."

A boycotter during the Batasang Pambansa elections in 1984, Labayen voted this time. "I accept the principle of boycott. I'm open. But the pulse of the people was my indicator, rather than just cold principles." Shifting into a jocular mood he says of a colleague: "Napasubo na si Sin. Now I wonder if he will Holy Communion to the First Couple when he says mass in Malacanang."

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PHILIPPINES

BULLETIN TODAY ON UNIVERSAL VOTE OF 'NO CONFIDENCE'

Manila BULLETIN TODAY in English 22 Feb 86 p 6

[Commentary by Benedicto David: "Unique"]

[Text]

THIS is just about the first time in Philippine history that announced winners in presidential elections here were not showered with congratulatory messages from governments maintaining diplomatic relations with this country.

To our knowledge, only Moscow has congratulated the winners.

It may be the first time that ambassadors have trooped to the "loser" in the elections. And these include the European Economic Community (EEC) ambassadors and the Japanese ambassador.

All of this indicates that although the recent exercise was an "internal affair," quite a number of governments do not believe that the Filipino people's will was expressed by the Batasang Pambansa findings.

It also indicates that the Philippine government under the present dispensation would find itself isolated from the group of usually friendly countries who have been helping the government through various grants-in-aid and credit facilities.

It is rare for competing industrial states to act in unison in this manner.

The ploy of "shared" power is an impossibility. Neither side trusts

the other. Besides, this would not be reflective of the will of the Filipino people. It is an idea hatched in Washington and should stay here.

There are quite a number of uncertainties plaguing the country and the government at this time. For the first time, for example, the people do not know who the chief of staff of the armed forces is. Ver's resignation and acceptance is virtually a carbon copy of President Marcos' post-dated resignation.

Under such a state of confusion, it would be difficult to really analyze anything — and this is the one thing that some people around the President are good at. They thrive on confusion.

World condemnation of the frauds committed here is all but universal.

And then, there is the very real danger that very serious doubts are emerging about the integrity (what's left of it) of the Philippine peso.

Obviously, the International Monetary Fund and the World Bank are taking very seriously the reports that peso bills have been found with identical serial numbers, indicating that the gov-

ernment may have printed up to three times the amount of peso bills it told these institutions it was printing.

That is one of the reasons the peso is collapsing against all foreign currencies, principally the US dollar.

There is currently a shortage of US dollars in the banks. The Central Bank has been limiting withdrawals of "green" and is at the moment not allowing airlines to remit ticket sales proceeds in dollars to their home offices. This will, of course, affect the standing of the Philippines in the travel/tourism world.

It boils down to a vote of "no confidence" in the last electoral results because of the obvious frauds and terrorism committed, not to mention murders, disappearances, rapes, mutilations and beheadings.

We do not expect anything drastic while Phillip Habib is here. We do not know what to expect once the boycott and civil disobedience campaigns spread.

One of the possibilities is another declaration of a state of emergency or martial law or whatever can be cooked up to legalize repressive actions.

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PHILIPPINES

POST-ELECTION PROVINCIAL SITUATION REPORTED

Cebu Rejected Marcos Rule

Quezon City ANG PAHAYAGANG MALAYA in English 23 Feb 86 pp 1, 7

[Article by Larry Sipin]

[Text] Opposition groups and sectoral organizations in this province of three million people no longer recognize President Marcos as head of state.

The decision to reject the Marcos presidency was arrived at in a meeting the other night among opposition political parties and 12 sectoral groups representing a cross section of society.

Represented in the meeting were the Unido, Liberal Party, PDP-Laban, Panaghiusa, Pando Minnie, and various groups representing the religious, academic, professional, civic, and depressed area sectors.

Lawyer Clavell Asas Martinez, Unido provincial board member, who revealed details of the multi-sectoral meeting in an exclusive interview with MALAYA, said the people of Cebu recognize Corazon Aquino as president and former Sen. Salvador Laurel as vice-president.

Martinez said the local opposition will press for the establishment of a parallel government which the people of Cebu will support.

Aquino said in a noontime press conference at the Sacred Heart Center here shortly after meeting with local opposition ward leaders that there are no immediate plans for the establishment of a parallel government. She revealed, however, that committees whose heads would eventually be appointed to her Cabinet will be set up.

"We are ready to assume office as soon as Mr. Marcos goes," she said.

Leaders of the various groups also drew up a number of proposals for Aquino's program of non-violence protest, some of them bordering on the illegal.

In addition to adopting "in toto" the seven-point boycott program against crony-owned corporations outlined by Aquino in a victory rally last week at the Rizal Park, the Cebu opposition launched its own boycott of local enterprises known to be owned or controlled by persons with close Malacanang connections.

The local boycott is concentrated on Cebu's "crony media"—the SUN STAR DAILY owned by Anos Fonacier, a known Ilocano crony; Radio station DYCU, which is said to be part of the business empire of Eduardo Cojuangco; DYLA, a station controlled by the Associated Labor Union headed by pro-Marcos labor leader Democrito Mendoza; DYKC, a part of Ambassador Roberto Benedicto's media network, and the local relay station of Channels 4 and 9.

The Cebu boycott is also directed against Cebu Plaza and the Tambuli and Argao resorts also reportedly owned by Fonacier, sugar mills of former congressman Ramon Durano, United Laboratories products, among them biogesic, tylenol, alaxan, myracof, useran, and medicol, and Unichem products.

The opposition groups presented their proposals to Aquino and Laurel who arrived here yesterday to hold a "kadaungan sa nusod" (victory of the people), their first sortie outside Luzon since the Feb. 7 snap election.

As of presstime, a rally was in progress at Fuente Osmena, in uptown Cebu.

During the press conference, Aquino said she will adopt a protest proposal of the political parties and the sectoral groups.

Laurel, in an address to "Doctors for Democracy" at the Casino Espanol here, said civil disobedience is only phase one of a series of actions geared at pressuring Mr. Marcos to bow to the people's mandate. He added the Filipino people are supported in their fight to claim rightful victory in the election by the church, the international community, and even by the many sectors of the military.

Aside from the boycott of local crony-owned media and business enterprises, the Cebu oppositionists also vowed to pursue the following protest actions.

- o boycott of classes on all levels starting Feb. 26 up to the end of the semester. This was proposed by leaders of the academic community and student groups.

- o non-payment of business taxes under a collusion of taxpayers and businessmen.

Under this scheme, consumers will not demand for receipts for purchases so as to enable both the buying public and entrepreneurs to evade taxes.

- o continuing pickets at the local offices of the Bureau of Internal Revenue and the Bureau of Customs to paralyze the collection efforts.

o exert pressure, through letters, manifestos, position papers, and other forms of communication for foreign governments not to recognize the Marcos administration.

At the press conference Aquino said the Opposition will adopt four radical protests actions after three months should the present preliminary approaches fail to convince the president to step down.

She stressed, however, that while the protest action will take stronger form, they will be expressed peacefully. "I intend to pursue non-violent measures to the very end," she vowed.

She stood firm by her earlier stand that she will not enter into any compromise with the Marcos government.

Both Aquino and Larul said they will never cooperate and will never accept any position in the Marcos administration - a suggestion made by Marcos when he invited opposition leaders to sit in the proposed Council of State.

Expressing that nothing less than an Aquino presidency will satisfy the people, she said the program of civil disobedience will continue until Marcos resigns. "We will not deem our efforts successful until he resigns," she said.

Misamis Provisional Government

Manila BULLETIN TODAY in English 26 Feb 86 p 6

[Article: "New Gov't Eyed--Misamis Row Looms"]

[Text] The opposition leaders in this city said yesterday that they have agreed to form a provisional government for Misamis Oriental.

The disclosure comes as loyalists of President Marcos were reported to be seeking authority from the President to take over the administrative function of the opposition-led city government here.

Jesus Valleser, the city government's spokesman, said that local opposition leaders were mapping out plans on how to install a new provincial government.

Among those mentioned as candidates to take over the post of Gov. Fernando Pacana Jr. are Tagoloan Mayor Vicente Y. Emano, provincial board member Teddy Cabelte and lawyer Guerrero Adaza.

On the other hand, Pacana said that the Marcos supporters plan to take over City Hall came in the wake of reports that local government personnel were being forced by the opposition to go on mass leave of absence, raising fears of a breakdown of peace and order condition should the city government is abandoned.

Earlier, the Sangguniang Panlungsod passed a resolution recognizing the provisional government headed by President Corazon Aquino.

The opposition leaders and their supporters were set last night to dance and revel in streets all over the city to celebrate the victory of Mrs. Aquino.

At Camp Evangelista, Brig. Gen. Madrino Munoz, commander of the Army's fourth infantry division and a Marcos loyalist, announced over local radio and TV stations that he was to enforce starting last night the curfew imposed by Mr. Marcos with or without the support of the regional and local Constabulary officials who are identified with Defense Minister Juan Ponce Enrile and Gen. Fidel V. Ramos.

From the PN-INP provincial headquarters, Col. Cesar C. Manaig, provincial commander, however, said that he will leave to Gen. Munoz the enforcement of curfew until he gets the proper order from Brig. Gen. Benjamin Ignacio, regional PC-INP commander.

Students of local colleges said they will not honor the curfew "as it is impractical since many classes in the city end at 9 p.m."

/13104

CSO: 4200/798

21 March 1986

PHILIPPINES

DAVAO QUIET, REACTION TO MARCOS PROCLAMATION VIEWED

Quezon City VERITAS in English 23 Feb 86 p 20

[Article by Carolyn O. Arguillas: "Reaction to Marcos Proclamation: Forlorn Acceptance to Active Resistance"]

[Text] Lenie, 24, a student, swears she will join the NPA if her candidate, Corazon C. Aquino, will not be proclaimed president. Before the election, Leni prayed for a Marcos defeat for a reason that most street parliamentarians would find outrageous: she idolizes teen pop singer Pops Fernandez; hates Sharon Cuneta and her father Pasay Mayor Pablo Cuneta and hates the KBL for having a man like Mayor Cuneta sire daughters like Sharon.

The elections, however, snapped her out of her "Pops is the only superstar" dream world; she now has national interest at heart. On election day, she volunteered her services to the Operasyon Laban sa Mandaraya [Fight Against Fraud]. When the results were announced she remained glued to the television set with a tally sheet, applauding everytime Cory led in the counting. Today she is more concerned about whether or not Cory will be proclaimed and Cory is in her mind more often now than Pops.

"Dili gain ma-proclaim si Cory, mag NPA na gyud ako," ("If Cory won't be proclaimed, I'll really join the NPA,") she vowed.

Manang Talia, 68, a retired government employee, used to scoff at nuns and the others who marched in the streets, convinced that she was just being sensible, that the parliament of the streets was just a "noisemaker." She has bought a wide-brimmed hat which she said, she would wear for the forthcoming marches. She, too, even in her advanced age, does not dismiss the idea of joining the NPA, if marching in the streets fails to overthrow Marcos. Manang Talia voted for Cory.

Jun, 27, when asked what he would do if Cory is not proclaimed winner, replied he would join protest rallies and participate in civil disobedience campaign although a brother of his butted in "Giyera na dapat." ["There should be war."]

Another said, "If there are NPA terrorists around, I'll join them."

While there are a number who said they would join the NPA if Cory is not proclaimed winner, there are those who have conceded defeat. Boy, 25, a waiter

said "wa tay mahimo kay ilahang gobierno karon." ("We can't do anything because they control the government now").

Alice, 34 a vendor, who stays at Rizal Park for the OQC and who applauded when Cory's votes were more than Marcos' merely shrugged "wa ta mahimo" (we can't do anything).

Citizens' reactions in Davao City over a Marcos proclamation ranged from forlorn acceptance to active resistance.

A militant student leader who boycotted the election offered Veritas this projection: "Yung mga walang pakialam noon, magmamarcha na ngayon. Yung mga nang-mamarcha na noon, aakyat na ng bundok ngayon kasi sawa na sila sa kamamarcha. Yung mga nagmamarcha ngayon pag sawa na sila aakyat na rin yart sa bundok. Tama pa rin ang boycott pero para sa nag-participate magandang learning process. Naintindihan na rin nila na Marcos is not the only problem but the US is as well." [Those people who did not have any involvement will join demonstrations now. Those who were marching then will go to the hills now because they are fed up with demonstrations. Among those who had been marching, once they get fed up will go to the hills. The boycott [the post-election boycott of "crony" businesses by the pro-Aquino groups] is really good, but for those who participate it is a learning process. So they understand it too, that Marcos is not the only problem but the U.S. is as well."]

Former mayor Luis T. Santos, spokesman of the Coalesced Opposition, viewed the situation as one that would require the concerted efforts of the opposition nationwide. "The momentum gained must continue because if the enthusiasm wanes, it would mean the collapse of the resistance and that is what Marcos is praying for," Santos told Vertias. Santos believes there would be reprisals, adding that this election had convinced a lot of people that Marcos won't yield his power through peaceful means.

"Marcos has closed all avenues for peaceful change," the former Mayor said.

In a press conference, a radio announced asked a man and a priest to comment on Leonardo Perez's statement that despite the prayer of the religious, God didn't answer their prayer. The nun replied, "God has his reasons," while the priest answered "God will answer the prayer. There is more conscientization now, more awareness that there was about the regime even more since the Aquino assassination."

A military officer of the regional unified command who asked not to be identified summed up the post-election review, thus: "It is a no-win situation." The officer, who voted for Marcos, emphasized the situation is a "no-win for the Filipino people," adding that the tension must be diffused and the citizenry must await the final proclamation by the Batasan.

But if the post-election tension is more pronounced in Metro Manila there is, despite post-election debates, an uneasy quiet in Davao city, which only last year was dubbed "Murder City" and is the government acknowledged "CPP-NPA laboratory."

Except for a victory motorcade launched by the Coalesced Opposition two days after the election day and an indignation rally to protest electoral fraud and human rights violation sponsored by BAYAN-Davao on February 15, no other mass action has occurred, no military-NPA encounters has been reported although the military is still on red alert.

Last week, coffee shops, offices and schools buzzed with rumors about some ships of the US Seventh Fleet seen at berth off the Samal Islands. Coast-guard sources told Veritas they have not received reports about their presence and that if the Seventh Fleet were on a "special mission," it would probably not have anchored off Samal and risked being seen. Veritas along with some media men scoured the area for eight hours on a motor boat and found no evidence of the fleet. A resident remarked, "that might just be a trial balloon to gauge the reaction of the citizenry." If it were a trial balloon, however, it somehow succeeded in reinforcing the idea of "war" in the minds of the Davaoenos. When told there was no ship found on Samal, the others insisted "submarine siguro".

There is yet another institution which has lately set up an office in Davao City and which has the Davaoenos asking: "Is this an anticipation of war or an evacuation?": The presence of the International Committee of the Red Cross. The office, housed in one of the rooms at Insular Hotel, was set up according to hotel sources on Jan. 16. There are five in its staff "all Swiss", the sources said "but the others are in Cagayan Zamboanga." On Sat, Feb. 16, reporters proceeded to insular where three ICRC vehicles were parked and requested an interview. Dr. Patrice Holzer, medical coordinator for the Philippines, agreed to grant media men an interview as soon as the Dissemination delegates and the Philippines delegation head arrive. The two were expected to arrive Feb. 16.

If there is anything more that baffles Davaoenos and military authorities, it is the quiet on the "battlefront." A military officer describes it as "like the lull before the storm."

Caught in the eye of the anticipated "storm" are the Aquino supporters who are only awaiting the go signal for the civil disobedience campaign and the KBL supporters who are now getting restless (Marcos lost to Aquino in Davao city by 23,000 votes; Tolentino won by 314 votes.)

/9274

CSO: 4200/773

PHILIPPINES

WEEKLY COMPARES PHILIPPINES, EL SALVADOR SITUATION

Quezon City VERITAS in English 23 Feb 86 pp 18-19

[Excerpt] Writing about American foreign policy in her book The March of Folly, author Barbara Tuchman argues that monumental blunders--as in the case of U.S. policy in Vietnam--were direct consequences of the misguided attitudes and intentions of American policymakers. In most cases those costly blunders involving American foreign policy sprang from a fallacious notion Americans had about themselves as guardians of democracy and protectors of freedom, especially the "freedom" of Third World countries. In the name of democracy, America has time and again intervened in the affairs of other nations. Nowhere has this been more obvious and controversial as in the Vietnam war and in the wars now raging in several countries of Central America.

Perhaps because of its proximity to the Philippines, Vietnam comes to the minds of most Filipinos who try to gain deeper insight into the nature of the crisis the country is now going through. On closer look, however, there are few similarities in the history of the conflict that Vietnam has only recently resolved, and the problem plaguing the Philippines today. For one, it is highly unlikely that the Philippines will ever be geographically partitioned to accommodate the warring factions as happened in Vietnam.

It is in the conflict now raging in Central America where one may find uncanny parallels to the current situation in the Philippines. The story of El Salvador reads like contemporary Philippine history on fast forward. The parallel course taken by the histories of the two countries has reached a point so frightening that observers warn that an El Salvador in Southeast Asia could be created unless the course of events in the Philippines makes a drastic turnabout.

/9274
CSO: 4200/770

PHILIPPINES

MALAYA EXAMINES PROPERTY CLAIMS OF RETURNING EXILES

HK040846 Quezon City ANG PAHAYAGANG MALAYA in English 26 Feb 86 p 7

[Text] The Lopez family has laid claim to the broadcast facilities now run by the newly-proclaimed government of Mrs Corazon Aquino, a move that could trigger similar claims by other pre-martial magnates stripped of their properties during the 14-year authoritarian rule of Mr Marcos.

Barely a couple of minutes after Channel 4 opened its broadcast under the control of pro-Aquino groups, a letter from the Lopez family was read on the air, claiming ownership of the former ABS-CBN complex.

The Lopezes also owned Manila Electric Co, [Meralco] which provides electric service to Metro Manila and nearby provinces. It could not be determined if the Lopezes also wanted the power utility back.

Meralco at present is run by a shadowy organization, Meralco Foundation, owned by Meralco customers in paper but controlled also by Romualdez.

The letter, in part said the Lopez family was "lending" the facilities to the cause of Mrs Aquino, Defense Minister Juan Ponce Enrile and newly-designated chief of staff Gen Fidel Ramos.

The facilities form part of the broadcast center complex run by Office of Media Affairs headed by Gregorio Cendana, a member of Marcos' government.

Millions of taxpayers' money was poured into the broadcast center to upgrade its facilities during Marcos' rule. It has served as a government propaganda organ during these past years.

The broadcast station was seized by forces loyal to Mrs Aquino under the command of ex-director of the Land Transportation Commission Mariano Santiago, a former colonel who resigned his commission before the election to campaign for the opposition presidential bet and running mate Salvador Laurel.

ABS-CBN, along with the newspaper MANILA CHRONICLE, was the flagship in the Lopez family's media empire, the biggest in the country.

It was taken over by the Marcos martial law government, and its facilities later were used by the Kanlaon Broadcasting System [KBS] of Marcos' business-man-friend Ambassador Roberto Benedicto.

The Lopezes claimed the KBS group used the facilities of ABS-CBN without compensation for years until KBS was able to put up its own broadcast center in Old Balara Diliman, Quezon city.

Another Lopez property, the MANILA CHRONICLE publishing plant in Pasig was taken over by Ambassador Benjamin "Kokoy" Romualdez to put up the TIMES JOURNAL newspaper. The JOURNAL ran the printing plant to obsolescence and later put up its own presses in Port Area, Manila.

Another big business seized by the Marcos government was the complex of industrial companies owned by the Jacinto family.

Illigan Integrated Steel Mill, the biggest Jacinto enterprise, was sequestered by the martial law administration. The steel concern was broken up, with the National Development Corp, taking over the steel-making plants. Marco-designated military officials still run the galvanizing plant of Mindanao Steel Corp, and a couple of small service companies.

/8918

CSO: 4200/771

21 March 1986

PHILIPPINES

COMMUNISTS SPLIT OVER ATTITUDE TOWARD AQUINO

PM051351 Paris LE MONDE in French 5 Mar 86 p 6

[Dispatch by Philippe Pons: "The Communists' Hesitations"]

[Excerpts] Manila--The Communists, whose armed insurrection has spread to most Philippine provinces in the past few years, now look like the poor relations of the people's movement which led to the Marcos regime's fall, and they are wondering what attitude to adopt toward the new government.

Some members of the Communist Party make no secret of the fact in private that they made a "wrong" analysis of the situation when they called for a boycott of the 7 February election which they regarded as another "sham election" and are now in favor of "critical cooperation" with Mrs Aquino. Others, however, state that "the armed struggle should be continued" and that the Aquino government presents the same basic problems as the Marcos regime although the latter has been overthrown.

Initially the Communists seem to be moving toward an attitude of "critical and vigilant cooperation" with Mrs Aquino's government. "We want to keep our distance, not attack Mrs Aquino herself because she has opened up areas of democracy, but we distrust those around her," a Communist Party member told us. This attitude reflects that of Jose-Maria Sison who no longer has an active role within the Central Committee (he was arrested in November 1977) but who probably still has a moral influence on his comrades in the struggles. According to Mrs Aquino's entourage it is not impossible that he might act as a mediator with those still free.

The National Democratic Front seems to want to take advantage of the period of tolerance and openness toward the communists to carry out "the task of political action, mobilization, and organization of the masses with a view to counterbalancing the interests of the elite and the military who are represented in this government while exerting pressure on Mrs Aquino to ensure that she keeps her promises," one of its members told us. "We are not questioning the new president's positions in advance," [National Democratic Front leadership member] Father de Torre said, "and we are going to make a number of specific demands. We will see how she responds to them."

Both the organizations close to the Communist Party, like the National Democratic Front, and Bayan, some of whose members are also linked to the Communists, but which is a legal federation of organizations, seem to want to cooperate with Mrs Aquino's government initially. "It is too soon to judge this government which has been in office for less than 1 week," Lean Alejandro, Bayan's young secretary general, told us adding: "The Filipinos voted for Cory Aquino because they wanted change. If they do not obtain it, they will take to the streets. But for the time being we must give Cory a chance."

/9604

CSO: 4219/30

PHILIPPINES

JAPAN LOAN TO COVER CAR PACKS, COMPONENTS

Manila BUSINESS DAY in English 4 Feb 86 p 2

[Article by Daniel C. Yu: "Car Pack Imports Now Covered by Japanese Commodity Loan"]

[Text] The Overseas Economic Cooperation Fund (OECF) of Japan has agreed to put automotive components, including completely knocked-down (CKD) car packs, in the list of Philippine imports that can be financed by the \$82.4-million commodity loan under the 13th yen package.

The Philippines has been negotiating with Japan for the inclusions of CKD packs in the list following representations made by local car companies.

The inclusion of automotive components under the commodity loan is expected to benefit the remaining two participants in the government-sponsored progressive car manufacturing program (PCMP).

Both Canlubang Automotive Resources Corp. (CARCO) and Pilipinas Nissan, Inc. (PNI) have petitioned the government to negotiate with Japan to widen the coverage of the OECF loan to cover car components.

The \$82.4-million commodity loan is part of the \$250-million total loan package which the Philippines will receive from Japan for this year. Japan has been extending the soft-term credit facility to the Philippines annually since 1971.

For the 12th yen package last year, the Philippines negotiated the inclusion of CKD truck packs. Japan approved an allocation of \$17 million for such importation.

Availment. The inclusion of CKD car packs is in line with government efforts to speed up the availment of the OECF soft-term credit facility.

In the past years, the Philippines failed to fully utilize the facility primarily because of the limited coverage of the credit line and its high cost compared to other sources of funding.

Under the 13th yen package however, the Philippines succeeded in getting more commodities included. The government also convinced Japan to lower the

cost of financing and to scrap the 2 percent spread the Central Bank was charging borrowers.

The inclusion of CKD car packs is expected to boost availment of the soft-term credit facility of the OECF since car firms have been experiencing difficulties in generating enough foreign exchange to meet their import requirements.

Prior to the foreign exchange crisis, participants in the PCMP were allocated as much as \$100 million annually to meet their importation of CKD packs and spare parts.

The importation of CKD packs however, in the last years, has dropped significantly causing at least three of the five original members of the PCMP to close shop.

The export credits generated by the car firms from their export activities have not been enough to meet their import requirements, forcing the car companies to slow down production.

CARCO and PNI are producing a total of 400 units monthly between themselves and their domestic production is dictated by the export credits they generate.

CARCO, through the Asian Transmission Corp., exports only \$4.5 million annually while PNI last year exported only \$400,000 worth of products. The credits they generate are not enough to allow the two firms to operate at full capacity.

Under the 13th yen package, a total of 108 items have been included for financing aside from the 200 items already covered under previous commodity loans.

The commodity loan has an effective disbursement period of two years and carries an interest rate of only 3.5% annually.

/9274

CSO: 4200/784

PHILIPPINES

FISHING INDUSTRY RANKS AMONG WORLD'S TOP TEN

Manila BULLETIN TODAY in English 16 Feb 86 p 23

[Text] The Philippines has been ranked among the top 10 fish producers in the world with output accounting for more than five percent of the country's gross domestic product (GDP).

With fish production valued at more than \$1.2 billion annually, the Philippines is among six developing Asian countries in the top 10 that include China, India, South Korea, Indonesia, and Thailand.

The top two fishing nations are Japan and the Soviet Union.

A study by the Asian Development Bank noted that fisheries production as a percentage of GDP was generally less than one percent in most countries of the world.

In fact, it noted that there are only three nations where fisheries provide a major share of the GDP.

These are Maldives with a fisheries output equivalent to 31.8 percent of GGNP, Iceland with 11.3 percent and Cape Verde Islands, 9.8 percent.

The Philippines is among six countries where fish production accounts for more than 4 percent of GDP. They include Burma, Senegal, Bangladesh, Malaysia and Seychelles.

The same study reported that the world's five largest fish importers were Japan, the US, France, Britain and Germany.

As of 1984, the major exporters by order of ranking were Canada, the US, Japan, Norway, and Denmark. Also mentioned as major importers from the Third World were Ivory Coast, Nigeria, Hong Kong, Singapore, Malaysia and Taiwan. Identified as substantial exporters were Chile, Ecuador, Indonesia, South Korea, Mexico, Peru, China and Thailand.

Because of the important role of fisheries development in the economy of its member countries, the ADB said that it was expanding its loan portfolio for the sector.

/9274
CSO: 4200/784

PHILIPPINES

SAVANTS CALL FOR MAJOR SOCIAL SYSTEM OVERHAUL

Quezon CITY ANG PAHAYAGANG MALAYA in English 24 Feb 86 p 7

[Article: "Piecemeal Reforms Won't Do--Savants Outline Economic Defects"]

[Text] The country's economic problems are so deeply-rooted in history that it would take a major overhaul of the social system to solve them.

Two economists from the University of the Philippines said at the recent Edgar Jopson Memorial Lectures that the current deep recession is just a manifestation of the structural defects of the economy.

Dr. Joseph Lim of the UP School of Economics said these defects have not been tackled by any post-war government, hinting that any post-Marcos government should concentrate on correcting them.

Professor Ricardo Ferrer, also of the School of Economics, said a combination of modern and pre-modern economic and social arrangements is responsible for the country's underdevelopment.

The Jopson Memorial Lectures was organized by the Interdisciplinary Forum of UP to honor the late student leader. Jopson was killed by the military in September 1982.

Lim said the three fundamental defects of the economy are, a) dependence on foreign countries, b) lopsided distribution of income and wealth, and c) exercise of political

power by a few to secure economic gains.

He said the economy is dependent on imported capital equipment, imported raw materials for manufactures and imported technology.

This is the main reason for the country's perennial balance of payments problems. Attempts to solve the problem of scarcity of foreign exchange have only led to increasing foreign control of the economy, he said.

On unequal wealth, Lim said this is the reason for the lack of market for local industries. He estimated that 10 per cent of the population controls 40 per cent of the wealth.

"Income redistribution -- particularly through land reform and increases in the real wages in the urban areas -- will develop a dynamic market and spur production," he said.

Lim said the problems of crony capitalism, graft and corruption are all related to the problem of politics.

"Productivity and efficiency becomes irrelevant as efforts are being channeled into making the right political and business connections.

"The result is a chaotic economy where even the capitalist rules of accumulation, competition and free markets are ignored," he said.

Ferrer said these problems could not be solved until new social arrangements are in place, particularly those governing the relationship between the property-less and the property owners.

/13104

CSO: 4200/798

PHILIPPINES

NPA KIDNAPS AUSTRALIAN BUSINESSMAN IN MINDANAO

Melbourne THE AGE in English 4 Jan 86 p 1

[Article by Michael Richardson]

[Text]

SINGAPORE, 3 Jan. — An Australian businessman has been captured by communist guerillas. It is the first reported kidnapping of a foreigner in the Philippines by the communist New People's Army.

An Australian vice-consul yesterday flew to Misamis Oriental province in the southern Philippines, where the abduction occurred, to find out more details. He is due back in Manila tonight to make his report.

Sources in Manila familiar with the case told 'The Age' today that the guerillas had admitted responsibility for the kidnapping of Loui Anton Bond, a Belgian-born Australian, but said they were seeking publicity for their cause, not a ransom.

An Australian Embassy spokesman confirmed that Mr Bond, 57, who is believed to be part-owner with several Filipinos of a mining company in Misamis Oriental, had been kidnapped.

The spokesman said passport records showed he had been in

the Philippines since at least September 1980. His last passport was issued in Brisbane.

Mr Bond was apparently travelling to his mine outside Cagayan de Oro, the provincial capital of Misamis Oriental, when he was seized on 20 December. Brigadier-General Madrino Munoz, the regional military commander, said late last month that Mr Bond had been kidnapped by three NPA guerillas at Taglibao, about 15 kilometres from the city.

In a report to General Fabian Ver, Chief of Staff of the armed forces, he described Mr Bond as a Belgian engineer. It was only when the Australian Embassy received a tip-off last Monday that Mr Bond was an Australian that his true nationality was discovered.

It is not clear whether Mr Bond was kidnapped at random or chosen because he was an Australian or a representative of foreign business interests.

A group of Australian aid work-

ers on Samar Island in the central Philippines were "lectured" by armed NPA guerillas for several hours last year. The incident prompted the Federal Government to withdraw all resident Australian technicians from a project they were working on.

Australia is involved in a road project on the Zamboanga Peninsula on the island. The project has been strongly opposed by critics of the Marcos regime for allowing the military access to remote areas to fight the NPA.

However a spokesman for the Department of Foreign Affairs said there was no link between the road project and the kidnapping.

The Philippine military says the kidnapping may mark a significant intensification of NPA insurgency.

Nervous businessmen and investors in the Philippines, both foreign and local, fear the Bond abduction may mark the start of a stepped-up communist intimidation campaign against "capitalists".

/13104

CSO: 5600/4345

21 March 1986

PHILIPPINES

VISAYAS MAYOR 'CONFUSED' OVER MNLF LETTER

Cebu City VISAYAN HERALD in English 11 Jan 86 pp 1, 4

[Text] The municipal mayor of a northern town has received a threatening letter allegedly from the MNLF directing him to vacate his residence as soon as possible.

In an interview with VISAYAN HERALD, Consolacion Mayor Emmanuel Pepito bared that the letter was delivered at 9 a.m. the other day to the health center of their town. As it was addressed to him, the sanitary inspector brought the letter to him. The inspector described the letter carrier, a female, as about 40 years old, fair and slit-eyed. She reportedly boarded a maroon-colored Willy's jeep after handing over the letter. The vehicle headed for north.

Pepito said the letter writer urged for him to transfer to the Vergara residence about 25 kilometers from Consolacion town "for a house arrest." The letter was signed MNLF was written on old stationery of Col Zosimo Angan when he was still with R2. [sentence as published]

"I'm confused what kind of persons are these," Pepito said. He bared that he has no knowledge of any teachins being done in their locality and that he cannot tell if these persons are really NPAs. He added that he did not know of any Vergara residence.

He believed that this is just to neutralize his campaign activities for the administration. Pepito admitted he has been very active in his campaign.

He revealed that lately, his leaders have grown apprehensive of their lives. There were incidents, he said, when about five bare-footed persons or more, carrying long fire arms, knocked the doors of his leaders in the middle of the night. When they opened their doors the armed men said "mobotar gani mo ni Marcos, ratav gyod mo," and left immediately.

Pepito said he really has no idea about the real motive of the letter sender. He bared, however, that all he can do is to provide himself and his family with some form of security, adding that in conscience, he has not done anybody an injustice, nor has he done anything wrong in the exercise of his duty. (LS)

/6091

CSO: 5600/4346

PHILIPPINES

INSURGENTS EXECUTE ANTIGOVERNMENT FARMERS 'DEFECTOR'

Cebu City SUN STAR DAILY in English 14 Jan 86 p 13

[Text] An alleged member of an anti-government farmer's group in the hinterlands of Toledo City who recently defected to the Government was executed last week by Communist terrorists, the military reported yesterday.

PC Cebu Commander Lt. Col. Jewel Canson identified the farmer from a sketchy report made by Task Group Morning Star head Major Salvador Gultiano as Rogelio Labarejos, 26, a member of Kakasama in Malingin, Balamban.

He was killed in the house of his brother on Jan. 9 in sitio Hinatugan, Pangamihan, Toledo City where he sought sanctuary after he cooperated with the military, the report said.

Executed

Labarejos, Gultiano's report said, was supposed to disclose activities of the Kakasama.

Witnesses related to Gultiano the farmer was cooking in the house of his brother when executed by members of the Bagong Hukbo ng Bayan (BHB), the report said.

The same witnesses had earlier reported to the task group that the Communist insurgents were seeking Labarejos after learning of his defection.

Persuade

The witnesses, whose identities are withheld by the military, said the BHB armed band tried to persuade the farmer into rejoining them but Labarejos reportedly refused.

He was shot, according to the same witnesses, with caliber .30 rifles.

The insurgents warned other members of the household not to report the killing, the report said.

Canson said he had ordered Gultiano to investigate the killing and to check on the presence of the insurgents in the area. LSE III

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CSO: 5600/4346

PHILIPPINES

BRIEFS

SUPREME SOVIET PRESIDUM CONGRATULATES AQUINO--To Her Excellency Mrs Corazon Aquino, president of the Republic of the Philippines: Accept, Your Excellency, congratulations on your assumption of office as president of the Republic of the Philippines. We hope that the friendly relations between our two countries will continue to develop for the good of the Soviet and Philippine peoples and in the interests of universal peace and international security. [Text]
[Moscow IZVESTIYA in Russian 1 Mar 86 Edition p 1 PM] /8918

APPELLATE JUSTICES RESIGN--Some 23 of the 38 justices of the intermediate Appellate Court headed by presiding Justice Ramon Gabriola Jr, tendered their resignations yesterday but were told to stay in office until their replacements or reappointments have been decided. Speaking to President Aquino, Gabriola said other justices who did not join in the mass resignation due to time conflicts were also ready to tender their resignations. He added that the Appellate Court supports the Aquino government. The president thanked Gabriola for his action and said the justices' resignations could signal the start of similar resignations in the judiciary which are needed to make a fresh start. The president demanded the resignation of appointees in the civilian government, starting with the judiciary, in line with her clean-up drive in the government. It has been learned that some members of the Appellate Court will retire in a few days, others in 3 years. Some are qualified for optional retirement, while others have not reached the mandatory age for retirement. On the other hand, members of the Supreme Court continued to resist demands for resignation. The members are targets of criticism for being responsible for keeping the Marcos regime in power. So far, only Justice Nestor Alampay has tendered his courtesy resignation. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 5 Mar 86 HK] /8918

CSO: 4211/34

THAILAND

DEPUTY LEADER MAY SPLIT FROM TNP

Bangkok THE NATION in English 11 Feb 86 p 5

[Text]

DEPUTY Chat Thai leader Thavich Klinprathum admitted yesterday that he was contemplating a breakaway from the Chat Thai Party to form a new political party for the next general elections.

But Thavich said he had not made up his mind over the matter.

"I am only toying with the idea in my talks with Col Narong Kittikachorn. People should not jump to the conclusion that I will definitely leave the party. I am now still loyal to Chat Thai Party," he said.

Col Narong, as Ayudhya MP of the same party, had earlier said that he and some Chat Thai MPs might defect from Chat Thai to form a new party.

Thavich made the statement after Chat Thai leader Maj Gen Pramarn Adireksarn circulated letters to all party MPs asking them to confirm their membership with the party before Feb 28. He said in the circulars that the party had to know who would continue to stay on as preparations for the next general elections were being made. Pramarn also said that the political situation was volatile and the prospect of a House dissolution to make way for snap general elections could not be ruled out.

Referring to reasons behind his idea to form a new party, Thavich said the party had yet to improve on its structure. "Our party system is a centralized one in which all the powers are in the hand of only one person. We should decentralize the powers by dividing MPs into many groups comprising 10 MPs each and the MPs in each group will elect their own leader. This is a way to promote democracy in the party," he said. He raised objection to a resolution by Chat Thai executives who decided recently that the party should file a no-confidence motion against Prime Minister Prem Tinsulanonda.

He also said he disagreed to the alternative approach that the no-confidence motion should be filed against Finance Minister Sommai Hoontrakool alone.

"It won't work whether it is aimed at the premier or the finance minister when the Houses reconvene. But I will certainly abide by a party resolution on the question," he said.

THAILAND

NARONG CRUSHES RUMOR OF QUITTING TNP

Bangkok THE NATION in English 14 Feb 86 p 3

[Text] AYUDHYA MP Col Narong Kittikachorn said yesterday he would retain his Chat Thai Party membership until the parliamentary term expires next year.

Narong, currently a member of the party's executive committee, denied earlier reports that he would leave Chat Thai soon in protest against the party's failure to play a proper role as an opposition party. "I'll never leave the party before 1987, the year when the present term of Parliament ends," he said.

Narong also lashed out at Chat Thai leader Maj Gen Pramarn who recently flashed out circulations to all Chat Thai lawmakers, asking them to confirm

whether or not to run in the next general elections under Chat Thai ticket.

"His action is absolutely useless. It just serves to widen rifts within the party," he charged.

The disgruntled MP said a meeting of some MPs from both opposition and government blocs will be held at his residence on Sunday to map out guidelines for the establishment of a new political party.

Meanwhile, Chat Thai deputy leader Thavich Klinprathum said yesterday he has already received a copy of Pramarn's circulars and would inform Pramarn of his intention to stay with the party until the House of Representatives completes its term.

/13104
CSO: 4200/797

21 March 1986

THAILAND

UBON VILLAGERS FEAR RAIDS BY LAOTIAN TROOPS

Bangkok BANGKOK TIMES in English 11 Feb 86 p 3

[Text] **Khemmarat** — Villagers have built bunkers near their homes for fear of Laotian attacks following the February 1 cross-border foray in which five villagers were killed and five wounded.

Since the attack on Ban Na Muang, a Border Patrol Police platoon has been deployed to protect the community, which has been depleted because some villagers have taken refuge further inland with relatives.

Mrs Term Ubon, who survived the attack, said: "I am terribly scared. I don't know when the Laotian troops will return again."

Between 15-20 Laotian troops took part in the 20-minute raid on the Ubon Ratchathani village, which has a population of about 1,300, and comprises 185 houses. The attack centred on three houses in the village on the Mekong River where Laotians were thought to be taking refuge.

Village headman See Paha said: "None of us had adequate weapons to put up a fight against the Laotian troops." He said he would ask the Government to provide the village with weapons.

Local officials say the raid was not the first, and similar attacks could not be ruled out because of a shortage of troops to guard the border. They cited the constant influx of Laotian refugees as evidence of lax security.

The officials told the *Bangkok Post* that in November, Laotian forces crossed the border to attack a refugee camp, killing about 25 people. The camp was dismantled and the surviving refugees moved to a safer shelter.

The Foreign Ministry responded to the village attack with a protest note to Vientiane, condemning the "murderous act" perpetrated by Laotian forces.

/13104

CSO: 4200/797

21 March 1986

THAILAND

PROFILE OF GENERAL IN CHARGE OF ANTI-CPM EFFORTS IN SOUTH

Bangkok THE NATION in English 23 Feb 86 p 10

[Text] **“TO win people’s hearts by providing security to life and property is the key to overwhelming the insurgents. However, continuous military campaigns are also needed,”** says Maj Gen Kitti Rattanachaya, a military officer who has been involved in the Thai-Malaysian common border problem — the Communist Party of Malaya (CPM) — for several years.

After being appointed the new commander of the Fifth Army Division in October last year, Kitti holds direct responsibility for cooperation with the Malaysian forces in this year’s anti-CPM joint military campaign of the two neighbouring countries.

Kitti told *The Nation* the government should not regard the CPM insurgents the same way it does the Vietnamese and the Kampuchean intruders on the Thai eastern frontier because the insurgents are deep-rooted on the Thai soil in the southernmost border areas with Malaysia.

He said the combination of a military drive against the CPM guerrillas and development projects in the areas under the CPM influence “would eliminate 80 per cent of the CPM problem in the south.” However, the army should also play an important role in the development projects, he added.

“No private sector company will dare to do such a job as constructing a road into a fallen CPM stronghold which is riddled by booby traps. So the engineering soldiers have to take care of this task,” said the 50-year-old commander.

Born in the southern province of Surat Thani, where insurgents of the Communist Party of Thailand (CPT) were once very active, Kitti has dark complexion and a thick moustache as do most of his hometown natives. He looks like a Malaysian and has been teased about this by his colleagues.

Kitti graduated from the Chullachomklao Military Academy’s Class 8 and several of his class-mates, including Secretary of the Army Maj Gen Naruedol Dejpradiyuth, are currently key officers in the Royal Thai Armed Forces. He also has been through the Armed Forces Staff College and spent a year fighting the communists in Vietnam.

Besides several years of fighting the Thai communist insurgents in Nakhon Si Thammarat and Surat Thani, Kitti was also among the architects of the Thai-Malaysian joint military campaigns against the CPM guerrillas.

He made his first contact with the Malaysian military in 1964 when he was a lieutenant and appointed a platoon commander. He participated in the joint exercise, codenamed “Laem-

thong," in Than To District of Yala Province and also took part in the capture of a stronghold of the CPM 12th Regiment.

Kitti later was involved in a controversial combined operation, known as Sayabana, in which the Malaysian troops were allowed to cross the border in pursuit of the CPM guerrillas. The operation drew strong reactions from the southern people and was cancelled after a demonstration by residents in Betong District of Yala.

His engagement in several military operations against many outlaw groups, such as the Muslim terrorists, the CPT and the CPM, in several southern areas including Pattani Province and Santikiri mountain range in Waeng District of Nara Thiwat, have brought him into armed clashes many times. Fortunately, Kitti has never been seriously injured.

However, his work against the CPM insurgents stopped for a period when Gen Harn Leenanont was Commander of the Fourth Army Region because the regional commander personally took charge of the operations of the Thai-Malaysian Task Force. At that time he decided to go to the Army College. "It's better to study than to sit idly," he said.

He resumed his "career against the CPM guerrillas" again when Gen Harn was moved to the Supreme Command. Kitti returned to his familiar office and worked closely ever since with the new regional commander, Lt Gen Wanchai Chitchamnong.

Kitti was appointed deputy commander of the anti-CPM Thai-Malaysian Task Force in 1983 when he was assigned to co-ordinate with his Malaysian counterpart to map out a plan to eliminate the insurgents. So this time he fully threw himself into the anti-CPM campaign job.

Kitti insisted that strong actions must be taken against the CPM guerrillas. He also questioned "why the Malaysian

military did not seriously suppress the insurgents who have been trying to overthrow the Kaula Lumpur regime."

Referring to his anti-communist work, Kitti said he also played a part in the arrest of former Politburo member of the Thai communist movement Damri Ruansutham and a local communist leader in the south, Surachai sae Darn.

His name became controversial when he was blamed for giving an order to raid the residence of the then governor of Surat Thani, Sanong Rodpothong, to arrest Surachai. However, Kitti said his subordinates nabbed Surachai at a bungalow in Baan Don market in Surat Thani.

He said that he ordered his forces to lurk along the main road from Surat Thani to Bangkok following an intelligence report that a top level communist leader would go to the south and finally got Damri who was on his way to visit the CPT stronghold at Chong Chang.

He said that at first he did not recognize the man whom his soldiers brought to him. "Damri refused to talk to the troops who captured him and demanded to negotiate with a high-ranking military officer, so I met him," he said.

He added that Damri was sent to Bangkok for detention after he admitted that he was a member of the CPT Politburo. According to Kitti, Damri's detention in Bangkok was kept confidential for a month.

While he was the Thai-Malaysian Task Force's deputy commander, Kitti initiated the annual friendship golf tournament between Thai and Malaysian military officers to strengthen relationship between the two countries and help enhance unity among ASEAN countries.

"The more ASEAN countries are united the more their

bargaining power will strengthen vis a vis other powers," he said.

For this year's Thai-Malaysian joint operation against the CPM insurgents, Kitti found that his Malaysian counterpart showed better co-operation than before. The fact that so far four Malaysian soldiers have been wounded during the joint military campaign proved that the Malaysian co-operation is more intense this time.

The Malaysian commanders have also been asked by Kitti to advance their troops from their former position one kilometre away towards the jungle-clad common border to search for the stronghold of the CPM 8th Company after the Thai forces had failed to spot the CPM major camp on the Thai side of the frontier.

The anti-CPM joint operation between the two countries has been going on for two weeks and Kitti insisted that the campaign must go on until the CPM 8th Company's stronghold is captured.

However, Kitti said the government should carefully deal with the CPM problem to prevent any misunderstanding from the Malaysian side that the Thais are lending support to the CPM. "Some of the CPM guerrillas once proposed to defect to the Thai Government on condition that they be granted Thai citizenship. However, the Government must be very careful in its policies towards the CPM," said the commander.

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21 March 1986

THAILAND

ARMY WANTS BURMA BORDER FREE OF FOREIGNERS

Bangkok BANGKOK POST in English 20 Feb 86 p 2

[Text] Tak — The Third Army Region has proposed that certain areas of the Thai-Burmese border be declared out of bounds to foreigners, a military source said yesterday.

A total of 15 villages in three districts and one sub-district would be covered by the proposal to be submitted to the Interior Ministry for approval and declaration.

The source said the idea behind the proposal was to prevent foreigners from carrying out activities likely to affect Thai-Burmese relations.

The proposal will designate five villages in Ta Song Yang District, two in Mae Sot District and one in Phop Phra Sub-district as "completely out of bounds" to non-Thai nationals.

These villages, said the source, are near areas of frequent clashes between Burmese troops and minority rebels.

Another seven villages — five in Ta Song Yang District and one each in Mae Sot District and Phop Phra Sub-district — are also out of bounds because refugee camps are sited there.

Foreigners, particularly staff of international relief agencies, can, however, enter the latter seven villages only if they have permits.

The source said they could apply for entry permission with the Interior Ministry which would forward their requests to the Committee on the Thai-Burmese Border for final approval.

The committee is chaired by Supreme Commander and Army Chief Gen Arthit Kamlang-ek.

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CSO: 4200/797

THAILAND

SOMMAI MAY ALLOW BOOST IN FOREIGN DEBT

Bangkok BANGKOK POST in English 20 Feb 86 p 15

[Text]

A highly-placed Cabinet source told *Business Post* that Finance Minister Sommai Hoontrakul on Tuesday had proposed to the Cabinet that the Government amend the laws to broaden the foreign debt ceiling so as to enable the Government to borrow more to solve the lingering budget deficit problems.

The source said that Mr Sommai had proposed that the foreign debt ceiling be fixed at 5% of the gross domestic product (GDP).

At present, the Government has limited its debt service ratio at 9%, or in other words, the Government's foreign borrowings cannot exceed 9% for every 100 baht worth of exports.

However, the Government had decided to specifically increase the debt service ratio to 11% for the next few years.

The source said that Mr Sommai's proposal came in the wake of mounting problems faced by the Government over the soaring budget deficit as a result of the revenue shortfall.

Although the Government had applied several measures to boost its

revenue and reduce its debts in a bid to resolve the problem, the measure had failed to work effectively.

Among the measures applied include the refinancing of local and foreign debts, tax amnesty, tax restructuring and budget cut.

The source said that Mr Sommai informed the meeting that the current 9% debt service ratio would be equivalent to about 2.5% of the GDP and that this would mean the Government could borrow more to solve the problem.

The minister also told the meeting that the proposal would not affect the country's fiscal position and that several countries had already applied the method, the source said.

Mr Sommai was, however, asked to prepare more information and details before resubmitting the issue, the source said.

The source also said that the meeting was caught by surprise when Mr Sommai stated that only about 630 million baht in additional income was expected from the recent adjustment in the tax structure.

This was because the Finance Ministry had earlier said that the Government's income would increase by about 2,000-3,000 million baht after the tax restructure.

The Government last month restructured several types of taxes, including an increase in the interest tax on fixed deposits from 12.5% to 15%, increase in registration fee of cars fuelled by diesel oil and LPG, and oil taxes.

At the same time personal income taxes were reduced and corporate tax for unlisted firms cut from 40% to 35%.

The adjustments were aimed at boosting the Government's earnings in the wake of the anticipated revenue shortfall for the 1986 fiscal year budget.

Several Cabinet ministers were rather surprised over Mr Sommai's report because it was believed that the additional income from the interest tax alone would have exceeded 1,000 million baht, the source said.

Moreover, there were still several types of other taxes that would yield more income for the Government, including income from the tax amnesty, the source quoted several Cabinet members as saying.

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CSO: 4200/797

THAILAND

THANAT KHOMAN CRITICIZES U.S. FOR FARM BILL

Bangkok THE NATION in English 22 Feb 86 p 4

[Text]

RECENTLY, a foreign friend asked me this question: How are Thailand and its people doing today? I feigned not to take notice of the question, but he insisted; I, therefore, had to take the offensive and retorted: Why don't you ask your eminent western diplomats and journalists whose opinion count so much more than mine which is like something they derisively used to call "Chinese Navy".

Unruffled, he still wanted my opinion, so I had to come out with something. A Thai today, I said, is a pale and emaciated man who, stark naked, keeps tottering along, holding an umbrella marked "American Security Protection".

But why is he pale and emaciated? my friend enquired. Because he has been subjected to "vampirical" treatments by some of his so-called good friends who went berserk and launched rabid campaigns to quench their blood thirst on him, and when he tries to resist, he lost his shirt and pants. He cannot sell what he produces. Many friendly markets are closed or half shut to his produce. Because of tariff walls or stringent trade restrictions and discriminatory tariffs including countervailing duties and other surcharges, he finds great difficulty in exporting his products.

All these measures contribute to dwindle his income and gravely affect his already meagre livelihood as well as the development of his country. They undoubtedly destabilize international trade and make their claim to observe and practice 'Free Trade' a sheer farce. The Public Laws 480 using many forms of subsidies are infamous examples of unfair, unjust and inequitable ways of conducting international commercial transactions causing the most deleterious effects on world commerce.

Today, blood is being sucked out of the Thai body by those adepts of Free Trade who conceive the principle to apply only to exports from their countries while using every foul device to keep out imports from others. That is why Thailand

has continually suffered unprecedented trade deficits, while few, if any, remedy has been devised to correct the serious situation. On the contrary, the responsible parties preferred to leave their worries at home and went to enjoy the artistically chiseled ice sculptures at a much publicized Winter Festival.

While these blood-draining operations are going on and in order to lull today's Thais into complacency a novel anesthesia in the form of unending loans is being transfused into the Thai economic body through sympathetic agents to lessen the immediate effects of huge trade deficits and displace the burden to future governments and generations for whom the weight will unbearably be heavier.

As if this plight is not sufficient, a new and latest blow has been dealt by our "Mahamitr", Great Friend and Big Brother, by the enactment of the Food Security or more simply Farm Bill.

This piece of legislation, now in force, reveals the evil intention of its authors and their accomplices to undermine Thailand and the welfare of its people. They seem to reject the idea that a small and undeveloped country like Thailand can be a premier world exporter of rice, therefore, it should be cut down to size. And in so doing, it chooses to play it in an unworthy way.

A Senator who recently came to Thailand even practised mythomania by denying that the said legislation was at all aimed at this country, while in fact, the name of Thailand figured explicitly in the text of the Bill until it was replaced after representations, by the words "Thai rice".

The truth is Thailand was deliberately chosen as the prime target. Following on the Senator's footsteps, a certain Richard Bell, president of Riceland Foods Co in Arkansas again unashamedly misrepresented the truth by accusing Thailand of "underselling US producers".

The facts of the matter are that instead of subsidizing our rice farmers, the Thai

Government imposes duty in the form of export "premium". In reality, if American products are not competitive in the market, it is the result of their own doings: high cost of production, high social benefits, over-valued dollar (until recently), and unsuitability to consumers' taste, etc.

Lately, the assurances given to our officials who went to discuss the issue that Thailand will not be affected by the Farm Act must be taken at face value. What can be said now is that they differ widely from the utterances previously made from the legislative which are frankly aggressive and hostile. This disgraceful craze of going on the warpath to get the scalp of the Thai farmers in true indigenous Indian style contrasts with the lenient approach adopted regarding the US\$50 billion trade deficit with Japan where no cutthroat measures have been resorted to as in the case of Thailand. Apparently, the fear of retaliation cools down their ardour for protectionist offensive and limited their show of guts to rhetorics and gallant words.

It is difficult to fathom the satisfaction and pride of those people who have been conducting an uninterrupted campaign of bashing against Thailand whose people already are bending under the weight of recession, depressed prices of agricultural products and protectionist measures from industrialized countries, security threats posed by Vietnamese invasion of Kampuchea as well as the onerous duties imposed upon them by the latter to care for hundreds of thousands of refugees who represent the sequels of past western colonialism and the Vietnam War fiasco.

Although the effects of such vicious campaign are by themselves murderous, the degrading intention itself to malign a weak but trustful friend is particularly distasteful and smacks of amorality bordering on immorality.

As these deep lashes are inflicted on the otherwise satisfactory record of long standing friendly relations, they will not be easily removed from the memory of our people. What is even more repugnant is the way it was done and the methods of operation, or M.O., to use a police terminology, in many respects resemble those of the Chicago or 'Cosa Nostra' gangs when they seek to control certain territories for the purpose of collecting protection money and the proceeds from drugs, prostitution and gambling. The only difference is that instead of bullets, bundles of greenbacks, hundreds of millions of them, stacked in the Trade War Chest, will be used, most particularly against Thailand more than any other country, because of its envied position as Number One rice exporter.

While this onslaught goes on, there is fortunately a silver lining over the horizon. Instead of trying to undercut us, there is at least a genuine Asian friend, the People's Republic of China, who has made worthy efforts to help us, by increasing the amount of rice purchased from Thailand. I have no doubt that the Thai people will not soon forget this sympathetic gesture.

There can be little doubt that these recent highhanded moves, in the words of the *Asian Wall Street Journal*, "have thrown world rice markets into turmoil". They also destabilize a small country threatened in its security by Vietnamese armed expansionism and aggression and at the same time struggling against protectionist waves of powerful industrialized countries.

This goes to show what respect these quarters have for the principles of free trade and world economic stability they proclaimed so loudly and how their professions of faith are utterly empty and fraudulent. While a number of these arrogant lawmakers are growling with impatience to devour the tempting flesh of Thai farmers, they can hardly hide their forebodings. One of them sourly remarked: "We're going to have one commodity that's going to make American farmer competitive, *come hell or high water*".

As these shameless, heartless and Godless lawmakers choose to forsake the moral and ethical law in favour of the law of the jungle, the apprehensive forebodings may very well come true and the millions of Thai farmers whose means of livelihood will be jeopardized can hardly be expected to bestow their blessings upon them. However, as a Buddhist who has done his religious duties, I sincerely commiserate with the future of their soul.

As far as we are concerned, we have no other valid alternative than to resist with all our strength reinforced by the righteousness of our cause of upholding the human right of our farmers to live, to survive and to have a place in the sun and not be forced to starve so that others may fatten.

If we should lose to these American "genuine friends" using their green colour Big Stick, may our defeat and their inglorious victory help show to the world how millions of our brethren succumb to brazen injustice and international lawlessness at the hands of some who, drunk with power, misuse their economic and financial weapons to subject innocent people who have done them no wrong the most cruel and blood-curdling sufferings.

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CSO: 4200/797

THAILAND

COLUMNIST CRITICIZES REAGAN COMMENTS ON PHILIPPINE ELECTION

Bangkok THE NATION in English 18 Feb 86 p 4

[Text]

THERE'S A LOT that I can understand about the Philippines pseudo-election.

I can understand why the Marcos-appointed Comelec should find simple arithmetic such a time-consuming task, even with the aid of a roomful of computers. They've always treated the numerical operation of addition as an art rather than a science.

I can understand why Marcos should lie through his teeth about non-existent storms preventing a quick count. Marcos has never troubled himself over nit-picking niceties like telling the truth.

I can understand why the brazen yahoos who monopolize the airwaves in the Philippines should lambast the US congressional delegation for interfering in the internal affairs of their beloved dictatorship. It's far too much to ask of chat-show hosts to remember that the delegation is there because President Reagan asked them to go, and that President Reagan sent them because President Marcos invited him to.

I can understand why Marcos should score a thousand-and-odd to zip victory in his home town and say it's because he has a lot of relatives up there.

I can understand why the Rev Jerry Falwell should berate the Filipino people for not being thankful for the blessings brought to them by years of martial law under Marcos. He also thought that Bishop Desmond Tutu was a phoney.

I can understand why cardinal Jaime Sin should form quite a different opinion of the benefits brought about from the last 20 years of the Marcos government. Cardinal Sin seems to be a man of a different God from Rev Falwell.

I can understand why US delegation leader Sen Richard Lugar should have begun his mission with beaming remarks on the joys of a functioning democracy. The US administration has never been worried about a Marcos victory — merely that he should not be too blatant about

it.

I can understand why Sen Lugar should quickly have changed his mind and decided that something shady was going on. If he'd stayed home and watched it all on the box, he could have come to exactly the same conclusion.

I can understand why the computer girls who ran out of Comelec headquarters crying fraud should have sought a tearful sanctuary in a church. Anyone who publicly embarrasses the Filipino administration has to keep looking over the shoulders for fear of the salvage squads.

I can understand why Channel 9's on-the-spot cameras should provide us with lengthy panoramic shots of Manila roadways where absolutely nothing of interest was going on. It's on a par with their close-ups of the grass at one end of a football field while the goal is being scored at the other end.

I can even understand why Dr Somkiat Onwimon should have eventually turned up in Manila. I wrote last week's piece in the belief that his visit had been banned, and some people will do anything to embarrass this column.

But what I cannot understand is that fumbling old duffer in Washington who, when a spade is shoved right under his nose, pretends he can see through the tines of a garden fork. Reagan has always had a problem with the Philippines. He once misread his cue cards, and instead of talking about Samson slaying the Philistines, came out with something about Simpson who slew the Philippines.

First, there's this fatuous comment that the violent, discredited and bogus vote count has demonstrated that the Philippines enjoys a healthy two-party political system. One must assume that Lebanon will shortly be held up as a shining example of multi-party democracy.

Then there's the insistence that the US should not interfere in the affairs of another country. Of course, having two of the biggest US military

bases stuck in the middle of someone else's country is a clear case of non-intervention. And the US has always kept scrupulously away from involvement in the affairs of Nicaragua, El Salvador, Lebanon, Haiti, etc, etc.

There is the refusal to acknowledge that fraud has been perpetrated, coupled with the odd comment that this non-existent fraud was conducted by both sides. Of course, when one side controls the election machinery, the money, the media, the police, the army, and even the Parliament that will make the final decision, and when the opposition side has been menaced, clubbed and murdered, the US must be seen to take an impartial view.

And finally, there is the incredible statement that 'I don't know of anything more important than the Philippine bases.' Not a free and fair election, Mr Reagan? Not the respect of the will of the people? Not the self-appointed task of the US in 'making the world safe for democracy'?

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CSO: 4200/797

THAILAND

READER CITES ANTI-DICTATORSHIP, 'SUPERPOWER' LINKS IN PHILIPPINES

Bangkok THE NATION in English 18 Feb 86 p 4

[Text]

Dear Sir,

If nothing else, the wide publicity by the local Press on the Philippine elections has certainly been of great political benefit to the Thai public. The lesson was about how not to get our political system messed up to the extent that election rigging and fraud could be carried out so blatantly by someone who has been in power for over 20 years.

Even my 14-year-old boy was interested in the Philippine elections and has been asking some very basic questions about democracy, dictatorship and elections.

It was all very healthy and we must all thank the local Press for having given us the very comprehensive coverage of the elections. The Thai people have come to learn that although Marcos has technically won, the people in general will decide whether his continued leadership is legitimate or not.

The incident has also woken us to the reality that once a country gets itself engaged in a major scale with a superpower, it could hardly get away from interference from the outside.

My heart goes to all the Filipinos. May their struggle for democracy and freedom meet with success in the foreseeable future.

Yours truly,
Smarn Chootai
Bangkapi

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THAILAND

MILITARY, POLITICAL APPOINTMENTS ANNOUNCED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 188-191

[Text]

Supreme Command

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 GEN. BANCHOB BUNNAG	Chief of Staff, RTA	Chief of Staff, Armed Forces
2 GEN. KRIT CHEECHAROEN	Deputy Chief of Staff, RTA	Supreme Command HQ
3 GEN. VISITPORN WONGTHAI	General Staff, Supreme Command	Supreme Command HQ
4 LT. GEN. PRATIAB THETVISARN	RTA HQ	Supreme Command in the rank of General
5 LT. GEN. BANDHIT AMATAYAKUL	Director, Armed Forces Security Centre	Chief of General Staff, supreme Command in the rank of General
6 LT. GEN. SURAPHOL BANNAKITSOPHON	Deputy Chief of Staff for Logistics, RTA	Deputy Chief of Staff, Armed Forces
7 VICE-ADM VINIT SRIPOTCHANART	Commandant, Institute of Naval Academies	Deputy Chief of Staff, Armed Forces
8 MAJ. GEN. SA-NGAD CHARNVATHITANONT	Deputy Dir-Gen., Territorial Defence Department	Supreme Command HQ in the rank of Lt. General
9 MAJ. GEN. M.L. CHATCHAVAL SNIDWONGSE	Deputy Director, Armed Forces Security Centre	Supreme Command HQ in the rank of Lt. General
10 MAJ. GEN. SOMCHIT KLONKARNKHIE	Deputy Commandant, Staff College	Commandant, Staff College in the rank of Lt. General
11 MAJ. GEN. UDOM OONHALEKHA	Deputy Commandant, Armament Centre	Supreme Command HQ
12 RADM SOMBOON CHEEVAPRASERT	N/A	Supreme Command HQ
13 MAJ. GEN. VICHIT BUNYAWAT	Deputy Director, Information Office	Director, Information Office
14 MAJ. GEN. THIEN CHONMAITREE	Deputy Dir-Gen., Army Signals Department	Director-General, Army Signals Department
15 MAJ. GEN. ANUWAT THAPKLAI	Chief of Staff, Armed Forces Security Centre	Deputy Director, Armed Forces Security Centre
16 MAJ. GEN. PRASART NOISERTH	Deputy Chief Comptroller, Armed Forces	Chief Comptroller, Armed Forces
17 COL. NIPHAT BUNYARATTAPHAN	N/A	Chief of Staff, Armed Forces Security Centre
18 COL. BOONLERT PUANGCHAN	N/A	Deputy Director Information Office

Office of the Permanent Secretary for Defense

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 GEN. PRAYOON BUNNAG	Attached to Supreme Comd. HQ	Permanent Secretary for Defence
2 LT. GEN. THAVEEP SATTHANONT	Dir., Defence Budget Bureau	Deputy Permanent Sec. for Defence
3 LT. GEN. PRASONG KREEKUL	N/A	Office of Permanent Secretary
4 LT. GEN. PRADIT BUSAYANGKON	Dir. Gen., Def. Industry Dept.	Office of Permanent Secretary
5 LT. GEN. PAIBUL YANTAPORAN	Attached to Office of Permanent Secretary	Judge Advocate General
6 MAJ. GEN. FUENGCHALOEY ANIRUTTHEVA	Attached to Supreme Comd. HQ	Office of Permanent Sec. as Lt. General
7 RADM PRACHUAB SUPPARATLACH	Office of Permanent Secretary	Director of Policy and Planning as Vice-Admiral
8 MAJ. GEN. BAMKEN BURAKHOM	Attached to RTA HQ	Office of Permanent Sec. as Lt. General
9 MAJ. GEN. DEJ SONGKROHPANT	Attached to OPS	Dir. Gen., Defence Industry Department in the rank of Lt. Gen.
10 MAJ. GEN. PRAVAT KOMOLMARN	Dy. Dir. Def. Budget Bureau	Dir., Def. Budget Bureau in the rank of Lt. General
11 MAJ. GEN. KAO KONGPOONSILPA	Aide to the Defence Minister	Office of Permanent Secretary
12 MAJ. GEN. CHARUN KULLAVANIJAYA	Aide to the foreign Minister	Office of Permanent Secretary
13 COL. KASEM NAPASAWAT	N/A	Aide to Defence Minister in the rank of Maj. General
14 COL. CHAMLONG SRIMUANG	Aide to the Prime Minister	Office of Permanent Sec. in the rank of Maj. General
15 COL. RAVEE PROMSAKHA NA SAK	N/A	Asst. Dir., Def. Budget Bureau
NOTE: Most of the new appointees were Armoured Corps officers who had served under the Prime Minister, Gen. Prem Tinsulanonda. They include Lt. Gen. Prasong Kreekul, Maj. Gen. Fuengchaloey Aniruttheva, Col. Kasem Napasawat and Col. Chamlong Srimuang.		

The Army

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
1 LT. GEN. CHUTHAI SAENGTHAVEEP	Deputy Chief of Staff, RTA	Deputy C-in-C, RTA in the rank of General
2 LT. GEN. CHAOVALIT YONGCHAIYUTH	Deputy Chief of Staff, RTA	Chief of Staff RTA in the rank of General
3 LT. GEN. KAMHAENG CHANTAVIRAT	Asst. Chief of Staff for Intelligence, RTA	Asst. C-in-C, RTA in the rank of General
4 LT. GEN. AKKAPOL SOMROOP	Asst. Chief of Staff for Personnel Administration, RTA	Asst. C-in-C, RTA in the rank of General
5 LT. GEN. WANCHAI RUANGTRAKUL	Asst. Chief of Staff for Operations	Deputy Chief of Staff, RTA
6 LT. GEN. CHARAS WONGSAYANT	Chief Comptroller, RTA	Deputy Chief of Staff, RTA
7 MAJ. GEN. RUAMSAK CHAIKOMIN	Deputy Commander Third Army Region	Commander, Third Army Region in the rank of Lt. General
8 MAJ. GEN. RAT BUNYATHAP	N/A	in charge of special operations in the rank of Lt. General
9 MAJ. GEN. SIRICHAI LAKSANAINAVIN	Deputy Dir.-Gen, Territorial Defence Department	Asst. Chief of Staff for Personnel, RTA
10 MAJ. GEN. VICHIT SUKMAK	Superintendent, Chulachomklao Royal Military Academy	Dir.-Gen, Territorial Defence Department
11 MAJ. GEN. SAWAT SIRIPHOL	Director-General, Special Services Department	Adviser to the Army
12 MAJ. GEN. VICHAI PERSAP	Deputy Chief Comptroller, RTA	Chief Comptroller, RTA
13 MAJ. GEN. NGOMPOL NUTSATHIT	Director-General, Army Intelligence Department	Chief of Staff for Intelligence, RTA
14 MAJ. GEN. SUCHINDA KRAPRAYOON	Director-General, Army Operations Department	Ass. Chief of Staff for Operations, RTA
15 MAJ. GEN. KASEM SANGUANCHART-SORAKAI	Director-General, Engineers Department	Asst. Chief of Staff for Logistics, RTA
16 MAJ. GEN. NOPPADOL BOONCHU	Deputy Commander, Fourth Army Region	RTA HQ
17 MAJ. GEN. AROON SRI-UTHAI	Deputy Commander, Second Army Region	RTA HQ
18 MAJ. GEN. CHUVIT CHORSORAPONG	Deputy Commander, Institute of Army Academies	RTA HQ
19 MAJ. GEN. PANYA SINGSAKDA	Deputy Commander, Fourth Army Region	Deputy Commandant, Institute of Army Academies

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
20 MAJ. GEN. CHANA YAMBOONRUANG	N/A	Deputy Dir-Gen, Medical Department
21 MAJ. GEN. SURAT INTHASIRI	Commander, 1st Auxiliary Forces	Deputy Commander, Second Army Region
22 MAJ. GEN. PISIT SANTABUTR	Commander, Udon Military Province	RTA HQ
23 MAJ. GEN. PRASERT SAKULCHAROEN	Deputy Dir.-Gen, Medical Department	RTA HQ
23 MAJ. GEN. PRASERT SAKULCHAROEN	Deputy Dir.-Gen, Medical Department	RTA HQ
24 MAJ. GEN. VISIT ARTKHUMWONG	Chief of Staff, Third Army Region	Deputy Commander, Fourth Army Region
25 MAJ. GEN. VIMON WONGWANICH	Commander, 1st Special Forces Division	Commander, 1st Infantry Division King's Guard
26 MAJ. GEN. SIRI THIVAPHAN	Commander, 4th Infantry Division	Deputy Commander, Third Army Region
27 MAJ. GEN. ISSARAPONG NOONPAKDI	Commander, 1st Infantry Division King's Guard	Deputy Commander, Second Army Region
28 MAJ. GEN. KAMCHAD BURANASAMRIT	Commander, 3rd Auxiliary Forces	Commander, Seventh Army Circle
29 MAJ. GEN. CHARB IAMSIRI	Commander, 5th Infantry Division	Deputy Commander, Fourth Army Region
30 MAJ. GEN. CHARN SATHAIBODI	Commander, 12th Infantry Division	RTA HQ
31 MAJ. GEN. PANYA KWANYU	Director-General, Reserve Affairs Department	Director-General, Inspector-Generals Department
32 MAJ. GEN. SATHORN SUWANPA	Commander, 1st Cavalry Division	Deputy Dir-Gen, Territorial Defence Department
33 MAJ. GEN. MANOON POLWIANG	Chief of Staff, Second Army Region	Commander, Sixth Army Circle
34 MAJ. GEN. SUTHEP SIVARA	Chief of Staff, Territorial Defence Department	Deputy Dir-Gen., Territorial Defence Department
35 MAJ. GEN. PAIBUL EMPHAN	Assistant Director, Army Research Centre	Deputy Director, Army Research Centre
36 MAJ. GEN. NIYOM SANSANAKHOM	Commandant, Armed Forces Preparatory Academy	Superintendent, Chulachomklao Royal Military Academy
37 MAJ. GEN. SALUEY CHAIKOMOL	Commander, Seventh Army Circle	RTA HQ
38 MAJ. GEN. CHALIT PANOMSARNNARIN	Commander, Army College	RTA HQ
39 MAJ. GEN. CHAI DISSYADEJ	N/A	RTA HQ
40 MAJ. GEN. YUTTHANA ROOPKACHORN	N/A	RTA HQ
41 MAJ. GEN. SONGSERM WAISOKA	Commander, Songkhla Military Province	Commander, Fifth Army Circle
42 MAJ. GEN. PAIBUL HONGSIBLARK	N/A	Chief of Staff, Second Army Region
43 COL. WATTANA CHANTHANAKHOM	N/A	Director-General Army Transport Department in the rank of Major General
44 COL. KIATISAK MUNSRI	N/A	Commandant, Army College in the rank of Maj. General
45 COL. AROON WANRAK	N/A	Commander, 3rd Auxiliary Forces in the rank of Maj. General
46 COL. PREEDA WATTHANASAK	N/A	Commander, 1st Auxiliary Forces in the rank of Maj. General
47 COL. PHINIT PARNSEETHONG	N/A	Commander, 12th Infantry Division in the rank of Maj. General
48 COL. THAVEEWIT NIYOMSEN	N/A	Director-General, Special Services Department in the rank of Maj. General
49 COL. PRAMONT PALASIN	N/A	Director-General Army Operations Department in the rank of Maj. General

NAME	PREVIOUS ASSIGNMENT	PRESENT ASSIGNMENT
51 COL. THAVORN RATTANAVADEE	N/A	Director-General, Intelligence Dept. in the rank of Maj. General *
52 COL. VICHIEU SUKPLUNG	N/A	Director-General, Army Transport Department in the rank of Maj. General
53 COL. KITTI RATTANACHAYA	N/A	Commander, 5th Inf. Division in the rank of Maj. General
54 COL. BOONCHERD WONGSAI	N/A	Commander, Songkhla Military Province in the rank of Maj. General
55 COL. SOMJAT LAKKHANA	N/A	Commander, Udon Military Province in the rank of Maj. General
56 COL. PREECHA MUTHAWONG	N/A	Director, Army Personnel Department in the rank of Maj. General
57 COL. PHAIROJ CHAN-URAI	N/A	Commander, 1st Cavalry Division in the rank of Maj. General
58 COL. YUTTHASAK SASIPRAPHA	N/A	Chief of Staff, Territorial Defence Department in the rank of Maj. General
59 COL. CHER POSRINARK	N/A	Commander, 4th Infantry Division in the rank of Maj. General
60 COL. PRAMOTE RA-NGABPAI	N/A	Director-General, Reserve Affairs Department in the rank of Maj. General
61 COL. WATTANA SANPANICH	N/A	Commander, 1st Special Forces Division in the rank of Maj. General
62 COL. PREECHA IAMSUPHAN	N/A	Chief of Staff, Army Operations Department in the rank of Maj. General

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THAILAND

THAIS REJECT MALAYSIAN PROPOSAL FOR MILITARY OPERATIONS

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 p 163

[Text]

Thailand has turned down a Malaysian proposal for a joint operation against communist terrorists (CT) on both sides of the border. This was stated by Lt. Gen. Wanchai Chitchamnong, Commander of the Fourth Army Region, at the 47th. regional border committee meeting.

During the meeting which was held recently in Hat Yai, south Thailand, Lt. Gen. Wanchai told his Malaysian counterpart Lt. Gen. Dato' Wan Ismail Mohd. Salleh that although the Thai military authorities agree the joint operation is a good idea and believe that it can be carried out, there is no specific target along the border at which they (Thailand and Malaysia) can mount a joint military operation.

Lt. Gen. Wan Ismail who headed the Malaysian delegation told a Thai daily newspaper, the *Bangkok Post*, that Malaysia wants to step up cooperation with Thailand "in which both sides operate together." The cooperation has so far been either unilateral or coordinated operations against the CTs. Thailand and Malaysia have described members of the banned Communist Party of Malaya (CPM) as their "common enemy". The insurgents operate on both sides of the Thai-Malaysian border.

Lt. Gen. Wan Ismail, who is also the Commander of the Malaysian Army Corps, went on to say that both sides should look for a suitable target against which the security forces of the two countries can launch a combined military operation. He estimated that there are between 2,000 to 2,400 CPM cadres operating inside Thailand.

The Malaysian general praised the Thai military for its successful month-long operations from March 1 against the CTs, during which several communist camps were discovered and their (CTs) activities in southern Thailand greatly disrupted. Following the Thai operations, there has been no increase in CTs activities on either side of the border, he added.

Lt. Gen. Wanchai stated that many of the CPM camps are based deep inside Thai territory and Thai troops have already attempted to suppress activities there. The Thai authorities therefore feel that there is no reason for the Malaysian armed

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forces to fight the CTs inside Thailand. He also said that the Thai authorities were more concerned about the rising trend of subversive activities by Muslim separatist movements in south Thailand. The Government had sought help from the Malaysian authorities since many of the suspected Muslim guerillas traveled into Thailand through Malaysia after receiving armed training abroad, he added.

Following the meeting, the delegations issued a joint communique which stated that the committee was satisfied with the efforts taken by both countries to suppress the CTs along the border. It went on to say that both countries cooperated in the redemarcation of 537 kilometres of common border, or about eighty-five per cent of the total length of the border. The statement added that both sides have also cooperated in enforcing the security in their territorial waters, resulting in the apprehension of thirty-three vessels for various offences this year.

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THAILAND

ARTHIT CANCELS BID FOR LOGISTICS VEHICLES

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 163-164

[Text]

Supreme Commander Gen. Arthit Kamlang-ek has scrapped a previous bids for the supply of 4,000 logistics vehicles to the armed forces over the next ten years, and the procurement committee has been instructed to draw up a new and more detailed specification proposal which potential bidders can refer to.

A high-ranking source in Bangkok disclosed that the previous bid was cancelled on the recommendation of the committee in charge of evaluating the bid results. About ten international companies in joint ventures with local assemblers, submitted bids.

According to the source, the committee claimed that proposals and conditions contained in the bids differed substantially, and many of them did not comply with specifications set by the armed forces.

The previous bid, which took place early this year, saw the joint venture between the West German-based Unimog and the Thon Buri Assembling Co. emerging with the highest score. Other companies participating in the bid included Ateliers de Constructions Mecaniques de l'Atlantique (ACMAT) of France, Samsung of South Korea and Hino of Japan.

The 4,000 1¼-ton light logistics trucks are expected to cost about 3,000 million baht or approximately 112 million US dollars.

The conditions set by the armed forces stipulate that the bid winner would receive a certain amount of agricultural products in return for the trucks, which must be assembled locally using a certain amount of local content over the ten-year period.

The same source disclosed that cancellation of the previous bid was because Unimog-Thon Buri had proposed supply two-tonners instead of the 1¼-ton light trucks which the RTAF wanted. He noted that no contract has yet been awarded.

According to the source, Gen. Arthit told the committee to draw up new specification proposals and to allow other interested parties, as well as the previous bidders, to submit fresh proposals.

The new chairman of the procurement committee is the RTA Chief-of-Staff, Gen. Chaovalit Yongchaiyuth, who replaced Gen. Banchob Bunnag; the latter has now been promoted to chief-of-staff of the armed forces (See: Changes, Command and Staff, in this issue of *ADJ*).

The source said that the new procurement committee will adhere closely to the specification proposals, and "proposals submitted by bidders would be dropped immediately if they are not in line with the specifications." He said that the new specifications were expected to be completed within the year, after which foreign firms would be given about two months to prepare their proposals.

The source also disclosed that the armed forces, through the Army, was planning to call another bid for the supply of about 500 shelter trucks, known as communication vehicles. However, no definite specifications have yet been set.

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THAILAND

SRV ARMY PAPER ARTICLE: PAVN IN RADIO CONTACT WITH THAIS

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 pp 166, 167

[Text]

Vietnamese troops are still meeting stiff resistance from NADK guerillas along the Thai-Kampuchean border, months after the fall of guerilla bases there, according to an eye-witness account in Vietnam's Army newspaper.

Vietnamese soldiers are permanently on alert for resistance troops "who still operate in the forests" and carry out attacks, sabotage and kidnapping against Vietnamese and pro-Hanoi Kampuchean cadres and soldiers "in several areas deep inside Kampuchea," *Quan Doi Nhan Dan* said. The writer claimed the "three frontiers" region of Kampuchea, Thailand and Laos was particularly tense and insecure.

The border region had been "liberated" after fierce fighting by Hanoi's troops last spring during their dry-season offensive, the article said. But it admitted that the NADK (formerly known as the Khmer Rouge) "have not been completely wiped out." "The enemy is still in Thailand and planning attacks," it added.

The Kampuchean fighters had the benefit of considerable logistical backup in Thai territory, despite the destruction and occupation, by Vietnamese troops, of the three main NADK bases in the area — "1001, 1002 and 1003," in the Dong Rek mountains. The article, quoting Vietnamese officials, stated that the bases sheltered the two most heavily-armed NADK divisions, with 1,500 - 2,000 men in each formation.

Some 500 Laotians and Vietnamese guerillas were also sheltering in the Dong Rek mountains. Many belong to the United Front for the Liberation of Oppressed Races (Furio), which is waging a guerilla war against Hanoi in the highlands of southern Vietnam. The article claimed that Vietnamese forces had seized hundreds of tons of arms, ammunition and medicine abandoned by the guerillas as they withdrew from their bases.

The author did not say on which side of the frontier were the bases he visited, but his description suggested they were partly in Thailand. Vietnamese sources said privately that the frontier had little significance in the area, as "Thailand has sold part of its territory to China to establish the guerillas there (areas in the Dong Rek mountains)." The Thais never denounced Vietnamese incursions in that sector, though they did elsewhere along the border, they added. The paper said Thailand had handed some

of its territory in the region for \$100 per km to China, which it claimed wanted to establish various anti-Vietnamese guerilla groups in Indochina.

The article also said that Vietnamese and Thai forces kept in radio contact, which sometimes prevented incidents between the two forces. Reliable sources stated that such radio contact, made at the initiative of officers on the spot rather than agreed between the top brass of both sides, was common all along the border.

The report also stressed the ever-present danger of landmines besides the guerilla attacks. These were the main cause of deaths and injuries on both sides, it said. Living conditions at the border are tough, the writer wrote. He cited a severe lack of drinking water as well as hygiene problems, skin diseases, parasites and malaria. Heat, dust and mud added to the region's harshness.

Only once did the article refer to any Phnom Penh troops in the area, mentioning that some had collected arms abandoned by resistance. A source said that conditions at the border were too tough for the inexperienced Kampuchean Army. "The ability, logistical support, equipment and men of Kampuchean Army are still not up to operating in such harsh conditions," he said.

The same source stated that the Vietnamese General Staff was finding it hard to set itself clear objectives for the dry season, which has already started. "All the objectives were achieved last season, so now it's mainly a question of mopping up," he said.

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THAILAND

ITALIAN TANK TO GET ARMY EVALUATION

Kuala Lumpur ASIAN DEFENSE JOURNAL in English No 12, 1985 p 146

[Text]

Founded in 1905 for the production of weapon and weapon systems for the Italian Army and Navy, OTO Melara has continued since then to be one of the most important suppliers of weapons to Italian Armed Forces.

During the last 25 years its activities have extended throughout the world with the supply of armaments and weapon systems to an ever increasing number of countries. In addition to Italian Armed Forces, more than 50 countries have in fact till now acquired OTO Melara's products, and the Italian Company's bestseller, the 76/62 COMPACT Naval Gun, is now in service in nearly 40 Navies in the world.

At present OTO Melara is a leading Company of Finanziaria Ernesto Breda, one of the four Holding Groups of EFIM, a Public Law Agency operating within the State Shareholding System.

OTO MELARA PRODUCTION FOR THE ARMY

Since 1956 OTO Melara is producing the 105/14 Pack Howitzer, under Italian Army licence, that has been already delivered in more than 2,500 units to about 40 countries. In the 60s, the production of well known M113 family vehicle began, together with the M60 MBT, and in the 70s the LEOPARD tank entered into production.

After those production, OTO Melara started with a new product line in the field of tanks, being entirely designed and developed by the Italian Company's R&D technicians: the OF 40 Main Battle Tank and the PALMARIA Self Propelled Howitzer. The OF 40 Tank, already sold in various units to a Middle East country, has a great importance, representing the first MBT completely designed and realized in Italy after World War II.

The OF 40 can be regarded as high performance main battle tank with advanced armament, armour and driving characteristics.

OTO MELARA PRODUCTION FOR THE NAVY

OTO Melara has always supplied the Italian Navy with the most modern products requested for up-to-date ships. In the past fifteen years many foreign navies have become Oto Melara customers, so that presently the naval guns and missiles of OTO production (from 127/54 to 76/62 naval guns; OTOMAT and MARTE Mk. 2 ANTISHIP missiles; OTO launcher for ALBATROS AA missile system etc) are installed in most new construction of the 70s and 80s.

After the continuing success of the 76/62 COMPATTO naval gun (already sold to many navies, comprising high-level ones like US Navy or Japanese Navy), OTO Melara has carried out in-depth studies to meet the world wide need for a naval gun with superior performances in the anti-missile, anti-aircraft and surface roles, shore bombardment etc.

To meet this demand, OTO Melara has chosen the original concept of the widely used 76/62 gun, with deeply improved rate of fire. ■

[Photo caption] This OTO of 40 MBT, in its dark green colour, has been recently shipped to Thailand for evaluation by the Royal Thai Army.

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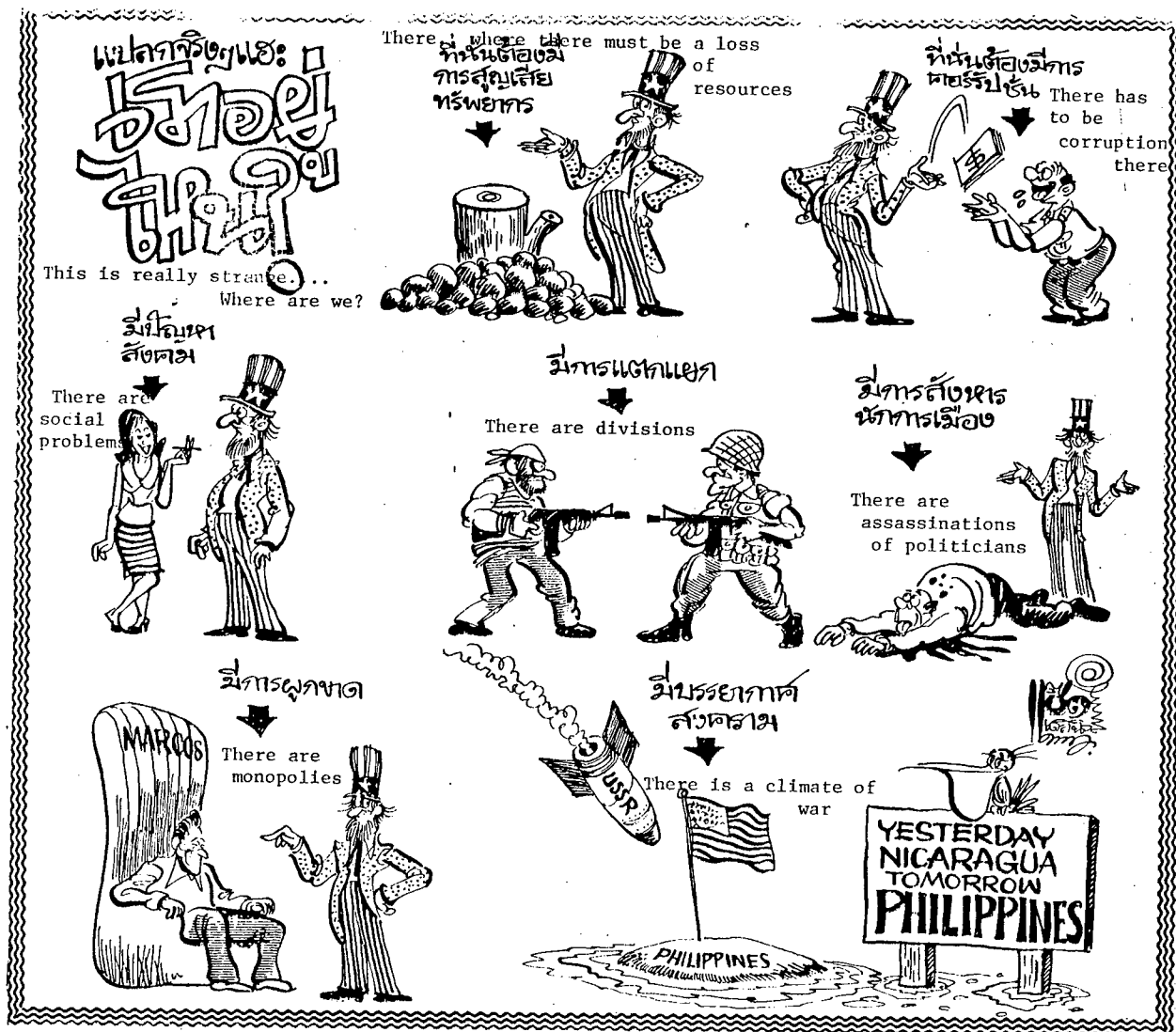
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THAILAND

CARTOON SCORES U.S. POLITICAL INFLUENCE, VIEWS RESULTS

Bangkok DAILY NEWS in Thai 17 Feb 86 p 5

[Text]



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CARTOON SCORES U.S. SUPPORT FOR MARCOS

Bangkok DAILY NEWS in Thai 16 Feb 85 p 3

[Text]

